

ALGIERS CHARTER SCHOOL ASSOCIATION
FINANCIAL REPORT
For the Year Ended June 30, 2013

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date FEB 05 2014

ALGIERS CHARTER SCHOOL ASSOCIATION

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**ALGIERS CHARTER SCHOOL
ASSOCIATION**

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FINANCIAL SECTION

**Hienz
Macaluso_{LLC}**
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

December 17, 2013

Board of Directors of
Algiers Charter School Association
New Orleans, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Algiers Charter School Association, ("ACSA") (A Nonprofit Organization and a component unit of Orleans Parish School Board), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise ACSA's basic financial statements as listed in the table of contents

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the

appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Algiers Charter School Association, as of June 30, 2013, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 7 and 25 and 26, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise ACSA's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards on page 31 is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements of ACSA.

The Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with

auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The schedules required by Louisiana State Law, included as Schedules 1 through 9, are not a required part of the basic financial statements, but are supplementary information required by Louisiana State Law. We have applied certain limited procedures, which are described in the Independent Accountant's Report on Applying Agreed-Upon Procedures. However, we did not audit this information and, accordingly, express no opinion on it.

Emphasis-of-Matter

Effective July 1, 2013, Alice M. Harte Elementary and Edna Karr Senior High are being operated under a new charter management organization awarded by the Orleans Parish School Board. As discussed in Note 9 to the financial statements, ACSA's charter terminated on June 30, 2013. ACSA is contracted to perform financial and human resource services for the new organization. ACSA maintains operations for six (6) charters with BESE as discussed in Note 1. The financial statements include a due to InspireNola for the transfer of the schools' net position as of June 30, 2013.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 17, 2013, on our consideration of ACSA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering ACSA's internal control over financial reporting and compliance.

Hienz & Macaluso, LLC
Metairie, LA

ALGIERS CHARTER SCHOOL ASSOCIATION
Management Discussion and Analysis
For the Year Ended June 30, 2013

Algiers Charter School Association (“ACSA”) management’s discussion and analysis is intended to assist the reader in focusing on significant financial issues, provide an overview of the financial activity of the two schools which it operates, identify ACSA’s financial position and its ability to address the next and subsequent years’ challenges. It also identifies any material deviations from the financial plan and identifies individual school issues or concerns. This is a requirement of the Governmental Accounting Standards Board in their Statement No. 34 *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments* and is intended to provide the financial results for the year ended June 30, 2013. The following is an illustration of how these financial reports are presented.

GASB 34 requires the presentation of two basic types of financial statements: Government-Wide Financial Statements and Fund Financial Statements.

Government- Wide Financial Statements

The government-wide financial statements provide a perspective of ACSA as a whole. These statements use the full accrual basis of accounting similar to private sector companies. There are two government-wide statements: the Statement of Net Position and the Statement of Activities.

The Statement of Net Position combines and consolidates governmental funds’ current financial resources with capital assets and long-term obligations, regardless of whether they are currently available or not.

Consistent with the full accrual basis method of accounting, the Statement of Activities accounts for current year revenues and expenses regardless of when cash is received or paid. The intent of this statement is to summarize and simplify the user’s analysis of the costs of various school services.

Fund Financial Statements

The fund statements are similar to financial presentations of typical governmental agencies, focusing on ACSA’s Major Funds. The fund statements are reported using the modified accrual accounting method. Under this basis of accounting, revenues are recorded when received except where they are measurable and available and therefore represent resources that may be appropriated. Expenditures are accounted for in the period that goods and services are used in school programs. In addition, capital asset purchases are expensed and not recorded as assets. Fund types include the General Fund, Special Revenue funds, and a Fiduciary Fund. The General Fund is used primarily to account for the general education requirements of the ACSA. Its revenues are derived from state and federal grants. The Special Revenue funds are used to account for specific revenues that are legally restricted to expenditures for a particular purpose. The Fiduciary Fund accounts for assets held by the ACSA in a trustee capacity as an agent for various student groups and parents.

ALGIERS CHARTER SCHOOL ASSOCIATION
Management Discussion and Analysis
For the Year Ended June 30, 2013

TABLE 1
NET POSITION

	June 30, 2013	June 30, 2012
ASSETS		
Current and other assets	\$ 6,867,433	\$ 8,166,763
Capital assets, net	125,522	365,427
Total Assets	<u>6,992,955</u>	<u>8,532,190</u>
LIABILITIES		
Current liabilities	6,867,941	2,270,528
Non-current liabilities	-	108,053
Total Liabilities	<u>6,867,941</u>	<u>2,378,581</u>
NET ASSETS		
Net Investment in capital assets	-	365,427
Restricted	1,810	
Unrestricted	123,204	5,788,182
Total Net Assets	<u>\$ 125,014</u>	<u>\$ 6,153,609</u>

TABLE 2
CHANGES IN NET POSITION

REVENUE		
Program Revenues		
Charges for Services	\$ -	\$ 39,365
Operating grants and contributions	2,460,035	4,562,783
General Revenues		
Minimum Foundation Program	13,894,079	12,993,879
Contributions and donations	54,810	3,216
Loss on disposal of asset	(5,059)	(37,365)
Miscellaneous revenue	286,797	308,715
Interest and investment earnings	1,981	285
Total Revenues	<u>16,692,643</u>	<u>17,870,878</u>
EXPENSE		
Instruction		
Regular	6,282,948	6,084,708
Special Education	1,380,634	1,167,340
Other	519,692	600,784
Special Programs	636,177	953,627
Student Services	1,014,323	1,123,111
Instructional Staff Support	1,028,807	1,693,453
School Administration	1,896,142	1,634,318
Support Services		
General Administration	227,532	283,512
Business Services	332,826	698,737
Operation and maintenance of plant	1,222,975	1,173,258
Student transportation services	922,468	1,223,052
Central Services	791,533	1,073,465
Food Service	460,398	481,406
Other Uses of Funds	6,076	304,316
Total Expenses	<u>16,722,531</u>	<u>18,495,087</u>
Transfers	(5,998,707)	-
Decrease in Net Position	<u>(6,028,595)</u>	<u>(624,209)</u>
Net Position, Beginning of Year	<u>6,153,609</u>	<u>6,777,818</u>
Net Position, End of Year	<u>\$ 125,014</u>	<u>\$ 6,153,609</u>

ALGIERS CHARTER SCHOOL ASSOCIATION
Management Discussion and Analysis
For the Year Ended June 30, 2013

Ending net position decreased by \$6,028,595 to \$125,014 as of June 30, 2013, due primarily to the transfer of net assets payable to Inspire NOLA. The remaining net position as of June 30, 2013 is that of the School Support Center.

Capital Assets decreased by \$239,905 due to depreciation and disposal of assets. There were no additions from June 30, 2012 to June 30, 2013.

As of June 30, 2013, total assets of \$6,992,955 represents a decrease of 18% from the prior year due to a decrease in cash, receivables, and capital assets.

Total liabilities increased from June 30, 2012 to June 30, 2013 by \$4,489,360 to \$6,867,941 due primarily to the amounts payable to Inspire NOLA, and offset by a decrease in long-term liabilities of \$143,098.

Minimum Foundation Program

A significant portion of the state funding to ACSA is the Minimum Foundation Program (MFP). The MFP is funding from the state and local government for each student and is established annually. ACSA's MFP funding was \$13,894,079 for the 2012/2013 school year. MFP increased from \$12,993,879 in the prior year to \$13,894,079 as of June 30, 2013, a 7% increase.

Title I Grant

This grant is a federally funded grant that is passed through the State Board of Education to help local schools improve the teaching and learning of children failing, or most at-risk of failing, to meet challenging state academic standards. As of June 30, 2013, \$1,001,117 was expended and received. Title II increased by \$17,153 from June 30, 2012 to June 30, 2013, a 7% increase.

Budget vs. Actual

As of June 30, 2013, revenues for Alice M. Harte were under budget by \$249,831, due primarily to more than expected revenues generated from federal grants. Expenditures were over budgeted by \$386,466 due primarily to the school support center allocation that is budgeted as professional services. These amounts are reported as transfers in the Statement of Revenues.

As of June 30, 2013, revenues for Edna Karr Senior High were under budget by \$839,695, due primarily to more than expected revenues generated from federal grants. Expenditures were over budgeted by \$756,619 due primarily to the school support center allocation that is budgeted as professional services. These amounts are reported as transfers in the Statement of Revenues.

Fund balances as of June 30, 2013 for Harte and Karr were overstated due to the recognition of a payable for the transfer of net position to Inspire NOLA for the 2014 school year.

ALGIERS CHARTER SCHOOL ASSOCIATION
Management Discussion and Analysis
For the Year Ended June 30, 2013

Economic Factors and Next Year's Budget

Effective July 1, 2013, Alice M Harte Elementary and Edna Karr Senior High are being operated under a new charter management organization, InspireNOLA, awarded by the Orleans Parish School Board. ACSA maintains operations for six (6) other charters with BESE, which are reported as a not-for-profit organization. ACSA is contracted by InspireNOLA to perform financial and human resource services for the new organization for the 2013/2014 school year.

Contacting ACSA's Financial Management

While the financial report is designed to provide full and complete disclosure of the financial condition and operation of ACSA, citizens groups, tax payers, parents, students, and other parish officials, investors or creditors may need further details. To obtain such details, please contact Algiers Charter School Association, 3520 General DeGaulle Suite 2001, New Orleans, LA 70114, or by calling (504) 302-7000 during regular office hours, Monday through Friday, 9:00 a.m. to 5:00 p.m., Central Standard Time, or e-mail at Charlie.Mackles@theacsa.org.

BASIC FINANCIAL STATEMENTS

ALGIERS CHARTER SCHOOL ASSOCIATION
STATEMENT OF NET POSITION
JUNE 30, 2013

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Cash and cash equivalents	5,259,910
Investments	1,245
Receivables	
Intergovernmental	1,315,332
Other	49,416
Due from pooled cash	223,715
Prepaid expenses	17,815
Capital assets, net of depreciation	<u>125,522</u>
Total assets	<u>6,992,955</u>
<u>LIABILITIES</u>	
Accounts payable	52,967
Accrued expenses	487,726
Due to other agencies	328,457
Due to InspireNOLA	<u>5,998,791</u>
Total liabilities	<u>6,867,941</u>
<u>NET POSITION</u>	
Net investment in capital assets	-
Restricted	1,810
Unrestricted	<u>123,204</u>
Total net position	<u><u>\$ 125,014</u></u>

The accompanying notes are an integral part of these financial statements

ALGIERS CHARTER SCHOOL ASSOCIATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants	Revenue and
				Changes in Net Assets
				Governmental Activities
Governmental Activities				
Instruction				
Regular	\$ 6,282,948	\$ -	\$ 853,454	\$ (5,429,494)
Special Education	1,380,634	-	187,777	(1,192,857)
Other	519,692	-	70,593	(449,099)
Special Programs	636,177	-	86,416	(549,761)
Student Services	1,014,323	-	149,993	(864,330)
Instructional Staff Support	1,028,807	-	169,065	(859,742)
School Administration	1,896,142	-	271,364	(1,624,778)
Support Services				
General Administration	227,532	-	40,507	(187,025)
Business Services	332,826	-	80,151	(252,675)
Student transportation services	922,468	-	125,305	(797,163)
Plant Services	1,222,975	-	186,736	(1,036,239)
Central Services	791,533	-	175,232	(616,301)
Food Services	460,398	-	62,616	(397,782)
Other Uses of Funds	6,076	-	826	(5,250)
Total governmental activities	\$ 16,722,531	\$ -	\$ 2,460,035	\$ (14,262,496)
General Revenues				
Grants and contributions not restricted to specific purposes				
Minimum Foundation Program				13,894,079
Contributions & donations				54,810
Loss on disposal of asset				(5,059)
Miscellaneous Revenue				286,797
Interest Income				1,981
Transfers				(5,998,707)
Total general revenues and transfers				8,233,901
Change in net position				(6,028,595)
Net position, beginning of year				6,153,609
Net position, ending of year				\$ 125,014

The accompanying notes are an integral part of these financial statements

ALGIERS CHARTER SCHOOL ASSOCIATION
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2013

	School Funds			Special Revenue Funds				
	School Support Center	Harte	Karr	School Support Center	Harte	Karr	Interfund Eliminations	Total Governmental Funds
ASSETS								
Cash and cash equivalents	\$ 4,921,506	\$ 166,577	\$ 171,827	\$ -	\$ -	\$ -	\$ -	\$ 5,259,910
Investments	1,245	-	-	-	-	-	-	1,245
Receivables								
Grants	(3)	-	-	-	296,704	1,018,631	-	1,315,332
Other	24,479	15,402	9,535	-	-	-	-	49,416
Due from - pooled cash	-	2,714,423	3,511,107	1,810	32,326	72,673	(6,108,624)	223,715
Prepaid expenses	17,547	268	-	-	-	-	-	17,815
Deposits	-	-	-	-	-	-	-	-
Total Assets	4,964,774	2,896,670	3,692,469	1,810	329,030	1,091,304	(6,108,624)	6,867,433
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts payable	12,743	8,756	30,280	-	24	1,164	-	52,967
Accrued expenditures	67,858	162,009	257,859	-	-	-	-	487,726
Due to - pooled cash	4,760,969	13,334	15,005	-	296,678	1,022,638	(6,108,624)	-
Due to other agencies	-	162,380	166,077	-	-	-	-	328,457
Due to InspireNOLA	-	2,550,191	3,223,248	-	32,328	67,502	-	5,873,269
Total Liabilities	4,841,570	2,896,670	3,692,469	-	329,030	1,091,304	(6,108,624)	6,742,419
Fund balances								
Restricted	-	-	-	1,810	-	-	-	1,810
Committed	-	-	-	-	-	-	-	-
Unassigned	123,204	-	-	-	-	-	-	123,204
Total Fund Balances	123,204	-	-	1,810	-	-	-	125,014
Total Liabilities and Fund Balances	\$ 4,964,774	\$ 2,896,670	\$ 3,692,469	\$ 1,810	\$ 329,030	\$ 1,091,304	\$ (6,108,624)	\$ 6,867,433

The accompanying notes are an integral part of these financial statements

**ALGIERS CHARTER SCHOOL ASSOCIATION
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2013**

	School Funds			Special Revenue Funds			Total Governmental Funds
	School Support Center	Harte	Karr	School Support Center	Harte	Karr	
REVENUES							
State public school funding	\$ -	\$ 5,718,639	\$ 8,153,841	\$ -	\$ -	\$ 21,599	\$ 13,894,079
Other state funding	114	334	7,342	-	15,027	21,409	44,226
Federal Grants	-	-	-	6,076	589,737	1,353,778	1,949,591
School food reimbursement	-	-	-	-	286,139	180,077	466,216
Donations and contributions	4,200	-	-	-	-	-	4,200
Interest income	44	825	1,112	-	-	-	1,981
Other revenue	24,931	6,441	2,375	1,810	98,748	186,978	321,283
Total Revenues	29,289	5,726,239	8,164,670	7,886	989,651	1,763,841	16,681,576
EXPENDITURES							
Salaries and benefits	1,026,423	4,195,876	5,589,558	-	620,875	1,030,544	12,463,276
Professional and technical services	171,583	95,615	97,281	-	3,712	200,906	569,097
Travel	10,975	37,417	42,805	-	76	816	92,089
Supplies	29,294	92,618	274,689	-	19,943	109,694	526,238
Utilities	4,844	46,962	78,429	-	3,372	3,124	136,731
Rent	57,566	23,717	17,801	-	1,213	10,000	110,297
Insurance	-	87,725	132,634	-	-	-	220,359
Repairs and maintenance	93	20,528	180,439	-	994	52,757	254,811
Food Service	-	-	-	-	254,136	180,510	434,646
Transportation	-	310,834	611,634	-	-	-	922,468
Indirect Costs							
Other	142,282	254,465	469,904	-	7,325	10,669	884,645
Total Expenditures	1,443,060	5,165,757	7,495,174	-	911,646	1,599,020	16,614,657
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,413,771)	560,482	669,496	7,886	78,005	164,821	66,919

The accompanying notes are an integral part of these financial statements

**ALGIERS CHARTER SCHOOL ASSOCIATION
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2013**

	School Funds			Special Revenue Funds			Total Governmental Funds
	School Support Center	Harte	Karr	School Support Center	Harte	Karr	
Other Financing Sources (Uses)							
Transfers in	1,393,877	-	-	-	-	-	1,393,877
Transfers out	-	(3,121,211)	(4,039,945)	(6,076)	(32,328)	(67,502)	(7,267,062)
Total other financing sources (uses)	1,393,877	(3,121,211)	(4,039,945)	(6,076)	(32,328)	(67,502)	(5,873,185)
Excess of revenues and other sources over (under) expenditures and other uses	(19,894)	(2,560,729)	(3,370,449)	1,810	45,677	97,319	(5,806,266)
Fund Balances, Beginning of Year	143,098	2,560,729	3,370,449	-	(45,677)	(97,319)	5,931,280
Fund Balances (Deficit), End of Year	\$ 123,204	\$ -	\$ -	\$ 1,810	\$ -	\$ -	\$ 125,014

The accompanying notes are an integral part of these financial statements

**ALGIERS CHARTER SCHOOL ASSOCIATION
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE-
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013**

Amounts reported for governmental activities in the Statement of Activities are different because

Total net change in fund balances - Governmental Funds	\$	(5,806,266)
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Governmental Funds report capital outlays as expenditures

However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation and loss on disposal of assets in the current period

Loss on disposal of asset	5,059	
Depreciation expense	234,861	
Transfer of capital assets due to Inspire NOLA	125,522	365,442

Governmental Funds do not report long-term liabilities

This is the amount by which cash was reduced for loan repayments during the current period

Repayment on Loan payable	(143,113)	(143,113)

Change in Net Position of Governmental Activities	\$	<u>(6,028,595)</u>
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The accompanying notes are an integral part of these financial statements

ALGIERS CHARTER SCHOOL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Algiers Charter School Association (“ACSA”) have been prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies are described below.

1. REPORTING ENTITY

The Orleans Parish School Board (“OPSB”) authorized by the Charter School Demonstration Programs Law and approved by the State Board of Elementary and Secondary Education (“BESE”), granted to ACSA, a nonprofit organization organized under the laws of the State of Louisiana and exempt from taxation under Section 501(c)(3) of the Internal Revenue Code, charters to operate one high school and one elementary school. The original five (5) year charter commencing on November 1, 2005 was renewed by BESE in January of 2012. The renewed charters are effective for four (4) years expiring June 15, 2015.

As authorized by the operating agreement between OPSB and ACSA, ACSA operates the following schools through June 30, 2013:

Alice M. Harte Elementary
Edna Karr Senior High

Although the schools listed above are the responsibility of ACSA, ACSA is recognized as a component unit of OPSB, as defined by Government Accounting Standards Board Statement No. 14, as amended by Statement No. 39. The accompanying financial statements present information only on the funds maintained by ACSA and do not present information on the OPSB.

In addition to the two (2) schools operated under the charter agreement with OPSB, ACSA operates six (6) schools under a charter agreement with BESE. These six (6) schools, Algiers Technology Academy, Martin Behrman Elementary, Dwight D. Eisenhower Elementary, William J. Fischer Elementary, McDonogh #32 Elementary, and O. Perry Walker Senior High, are reported separately. Because the School Support Center provides services to all eight (8) charter schools, these funds are allocated between the two entities based on the attendance of the various schools.

Effective June 30, 2013, ACSA’s charter agreement with OPSB will terminate. ACSA continues to operate the six (6) schools described in the previous paragraph.

2. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of activities) display information about the reporting entity as a whole, except for the fiduciary activities of ACSA.

Essentially, the effect of interfund activity has been removed from these statements.

ALGIERS CHARTER SCHOOL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2 GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. OPSB funding and other items not meeting the definition of program revenues are reported as *general revenues*.

The fund financial statements are used by ACSA to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain ACSA functions and activities. ACSA reports the following fund types:

Governmental funds

The General Fund is ACSA's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for a particular purpose. ACSA reports a special revenue fund for each school under its operation.

3 MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements (except agency funds which do not have a measurement focus). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, ACSA considers revenues to be available if they are collected within 60 days after the fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

ALGIERS CHARTER SCHOOL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3 MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

The focus of fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. At June 30, 2013, the general fund and all special revenue funds were major funds.

When both restricted and unrestricted resources are available for use, it is ACSA's policy to use restricted resources first, then unrestricted resources as they are needed.

4 BUDGETARY ACCOUNTING

Budget Policies – Prior to the beginning of each year, an annual operating budget is prepared on the modified accrual basis for the General and Special Revenue Funds, the only fund types having legally adopted annual budgets.

The Director, in consultation with the staff, prepares ACSA's annual operating budget. The budget is based on the expected OPSB allocated revenues and other projected revenues for pupil expenditures. The Director presents the budget to ACSA's Board of Directors for review and revision. Finally, at an open meeting of the Board, the proposed budget is presented. The Board adopts the operating budget.

If, during the course of the fiscal year, it becomes evident that the estimated revenues, expenditures or ending fund balance may vary, then the Director shall inform ACSA's Board of such variances. Based on the information submitted, the Board of Directors of ACSA will adopt an amended budget and will seek ways to generate additional revenues, if necessary.

All appropriations lapse at fiscal year-end.

The budget data is reflected in the schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual, (see pages 25 to 26).

5 CASH AND CASH EQUIVALENTS

Cash includes the amounts in demand deposits and interest – bearing demand deposits. Cash equivalents include amounts in time deposits with the original maturities of ninety (90) days or less.

ALGIERS CHARTER SCHOOL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6 INTERFUND TRANSACTIONS

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as “due to and from pooled cash”. Short-term interfund loans are reported as “interfund receivables and payables”. Long-term interfund loans (noncurrent portion) are reported as “advances from and to other funds”. Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position.

The School Support Center is allocated to each school based on student count. The allocation is represented as SSC activities in the revenues to the School Support Center and management consultant expense to the schools. Interfund transfers are eliminated in the statement of revenues, expenses, and changes in fund balance.

7 CAPITAL ASSETS

Capital assets are reported in the government-wide financial statements. Capital assets are defined by ACSA as assets with an initial individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Depreciation on all capital assets is calculated on the straight-line method over the following estimated useful lives:

<u>Asset Description</u>	<u>Asset Life</u>
Building and Improvements	27 years
Office Equipment	5-12 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as property expenditures of the governmental fund upon acquisition. The costs of normal maintenance and repairs that do not add to the assets or materially extend assets' lives are not capitalized. If the charter agreement of ACSA is revoked or ACSA otherwise ceases to operate, all assets purchased with any public funds become the property of the OPSB.

9 FUNDING SOURCES

ACSA receives its support primarily from the Louisiana State Department of Education and the United States Department of Education.

Irrevocable promises to give and outright contributions are recorded as revenue on the accrual basis as they are received, and allowances are provided for promises to give estimated to be uncollectible.

ALGIERS CHARTER SCHOOL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

9 FUNDING SOURCES (CONTINUED)

Promises to give and contributions are principally received from corporate, foundation, and individual donors around the United States. Both promises to give and contributions are considered available for unrestricted use unless specifically restricted by donors. Irrevocable promises to give which relate to a subsequent year are recorded as receivables and temporarily restricted net position in the year the commitment is received. Contributions whose donor restrictions are met in the same reporting period are reported as unrestricted support. ACSA uses the direct write-off method of writing off uncollectible receivables.

Contributions of donated non-cash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as restricted support that increases the net position class. When a restriction expires, restricted net position is reclassified to unrestricted net position on the Statement of Net Position.

10 UNEARNED REVENUE

Grant funds are considered to be earned when qualifying expenditures are made and all other grant requirements have been met and, accordingly, when such funds are received, they are recorded as unearned revenue until earned.

11 FUND BALANCE CLASSIFICATIONS

GASB 54 requires fund balances to be categorized as nonspendable, restricted, committed, assigned, and unassigned. Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Amounts that are restricted are those in which constraints have been placed on the use of the resource. Committed fund balances are those amounts that can only be used for a specific purpose pursuant to constraints imposed by formal action of the board of directors. Assigned amounts are those that are constrained by management and the governing body, intended for a specific purpose, and not imposed by formal action. Unassigned fund balance is a residual classification for those amounts not restricted, committed, or assigned. Committed and assigned amounts are considered to have been spent first when an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be applied.

ALGIERS CHARTER SCHOOL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ACSA has a restricted fund balance \$1810 as of June 30, 2013. Restricted amounts are considered to have been spent first when an expenditure is incurred for the purpose of fulfilling an agreement or formal action imposed on the funds.

12 EQUITY CLASSIFICATIONS

In the government-wide financial statements, equity is classified as net position and displayed in three components:

- a Net investment in capital assets – consists of capital assets including restricted capital assets, net of accumulated depreciation and related debt
- b Restricted net position – consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) law through constitutional provisions or enabling legislation
- c Unrestricted net position – all other net assets that do not meet the definition of “restricted” or “net investment in capital assets”

13 ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions. Those estimates affect the reported amounts of assets and liabilities and disclosure of assets and liabilities at the date of the financial statements. They may also affect the reported amounts of the government-wide financial statements during the reporting period. Actual results could differ from these estimates.

NOTE 2 – CASH AND CASH EQUIVALENTS

Deposits

ACSA had the following cash as of June 30, 2013:

Governmental funds - Unrestricted:	
Demand deposits	<u>\$5,259,910</u>

Custodial credit risk is the risk that, in the event of a bank failure, ACSA's deposits might not be recovered. ACSA does not have a deposit policy for custodial credit risk. At June 30, 2013, ACSA's deposit bank balances of \$6,078,272 were entirely secured by federal deposit insurance and pledged securities held by ACSA's agent in ACSA's name.

ALGIERS CHARTER SCHOOL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 3 – RETIREMENT PLANS

ACSA offers eligible employees the opportunity to participate in the Teachers' Retirement System of Louisiana (TRSL), a state retirement plan, for those employees who are eligible to participate. TRSL issues a separate financial report that includes financial statements and required supplementary information. This report may be obtained by writing or calling the plan.

Teachers' Retirement System of Louisiana
Post Office Box 94123
Baton Rouge, LA 70804-9123
(225) 925-6446

Plan Description – All teachers and administrative employees of ACSA are covered by defined benefit contributory pension plans administered and controlled by a separate Board of Trustees. The Board of Trustees administers plans which are cost-sharing multiple-employer public employee retirement systems.

Teachers and administrative employees belong to the Teachers' Regular Plan. Benefits are established by State statute.

TRSL provides retirement benefits as well as death and disability benefits. Death and disability benefits vest after 5 years of credited service. Normal retirement is at age 60 with 10 years of service or 20 years of service regardless of age for the Teachers' Regular plan members. Retirement benefits are based upon the employee's age, their last three years of compensation and the number of years that the employee was contributing to TRSL.

The percentage formula is applied to the average of the highest three successive annual salaries. The benefit is payable for life with eight available annuity payment plans. The plans also provide various death and disability benefits, whereby the disabled employee or surviving spouse is entitled to receive amounts determined as defined by the plan.

Contribution Required and Made – Covered employees and ACSA are required by State statute to contribute fixed percentages of employees' gross earnings to the pension plan. Current contribution rates for the plan are as follows:

	<u>Employee</u>	<u>Employer</u>
Teachers' Regular	8.00%	24.5%

ACSA's contributions were \$2,212,028 for the year ended June 30, 2013.

ALGIERS CHARTER SCHOOL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 4 – INTERFUND RECEIVABLES AND PAYABLES

ACSA uses a pooled cash account to track interfund receivables and payables. Due to/from pooled cash balances at June 30, 2013 are as follows:

<u>Due To Pooled Cash</u>	<u>Amount</u>	<u>Due From Pooled Cash</u>	<u>Amount</u>
General Fund	\$ (4,760,969)	General Fund	\$ -
General Fund SR	-	General Fund SR	1,810
Harte GF	(13,334)	Harte GF	2,714,423
Karr GF	(15,005)	Karr GF	3,511,107
Harte SR	(296,678)	Harte SR	32,326
Karr SR	<u>(1,022,638)</u>	Karr SR	<u>72,673</u>
Total	<u>\$ (6,108,624)</u>		<u>\$ 6,332,339</u>

SR - Special Revenue Fund

The above due to/from other funds were short-term receivables or payables resulting from the normal course of ACSA's operations.

The total due to and due from pooled cash do not reconcile because of the general fund allocation described in Note 1. The elimination of the due to/from pooled cash results in a "Due from Pooled Cash" balance of \$223,715. This amount is offset by an equal "Due to Pooled Cash" on the not-for-profit financial statements.

NOTE 5 – INTERFUND TRANSFERS

ACSA's transfers in (out) consist of interfund activity for the School Support Center allocation as discussed in Note 1, indirect costs transfers, and the subsequent transfer out due to Inspire NOLA.

ALGIERS CHARTER SCHOOL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 5 – INTERFUND TRANSFERS (CONTINUED)

<u>Transfer In</u>	<u>Amount</u>	<u>Transfer Out</u>	<u>Amount</u>
SSC allocation	\$ (1,387,801)	General Fund SR	\$ 6,076
General Fund	(6,076)	Harte allocation to SSC	571,020
		Karr allocation to SSC	816,697
		Harte GF fund balance transfer	2,550,191
		Harte SR fund balance transfer	32,328
		Karr GF fund balance transfer	3,223,248
		Karr SR fund balance transfer	67,502
	<u> </u>		<u> </u>
Total	<u><u>\$ (1,393,877)</u></u>		<u><u>\$ 7,267,062</u></u>

SSC - School Support Center

SR - Special Revenue Fund

The above interfund transfers are resulting from the normal course of ACSA's operations and the termination of the charter agreement between ACSA and the Orleans Parish School Board

The transfers in and out do not reconcile because of the amounts due to InspireNOLA to transfer the schools assets and liabilities as of June 30, 2013. The elimination of the interfund transfers results in a balance \$5,873,185. This amount is offset by capital assets and a liability reported in the Balance Sheet-Governmental Funds as a Due to Inspire Nola. The difference of \$84 is due to the SSC allocation, this amount is offset by an equal expense on the not-for-profit financial statements.

ALGIERS CHARTER SCHOOL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 6 – CAPITAL ASSETS

	<u>June 30, 2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2013</u>
Governmental Activities				
Capital assets being depreciated				
Building and improvements	\$ 90,171	\$ -	\$ -	\$ 90,171
Office equipment	<u>1,834,930</u>	<u>83,008</u>	<u>(103,412)</u>	<u>1,814,526</u>
 Total capital assets being depreciated	 <u>1,925,101</u>	 <u>83,008</u>	 <u>(103,412)</u>	 <u>1,904,697</u>
 Less accumulated depreciation for				
Building and improvements	21,902	4,703	-	26,605
Office equipment	<u>1,537,757</u>	<u>313,166</u>	<u>(98,353)</u>	<u>1,752,570</u>
 Total accumulated depreciation	 <u>1,559,659</u>	 <u>317,869</u>	 <u>(98,353)</u>	 <u>1,779,175</u>
 Total capital assets being depreciated, net	 <u>365,442</u>	 <u>(234,861)</u>	 <u>(5,059)</u>	 <u>125,522</u>
 Governmental Activities				
Capital assets, net	<u>\$ 365,442</u>	<u>\$ (234,861)</u>	<u>\$ (5,059)</u>	<u>\$ 125,522</u>

Depreciation expense was charged to functions/programs of ACSA as follows

Instruction	
Regular Programs	\$ 175,856
Support services	
Instructional staff support	16,481
School administration	637
Business Services	216
Central services	<u>41,671</u>
	<u>\$ 234,861</u>

Capital Assets balance at 2013 decreased from 2012 by \$239,920 due to a net of disposals in the amount of \$5,059 and depreciation in the amount of \$234,861

ALGIERS CHARTER SCHOOL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 7 – CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by such grantor agencies, principally the Federal government. Any disallowed claim, including amounts already collected, may constitute a liability of the applicable funds.

NOTE 8 – RISK MANAGEMENT

ACSA is exposed to various risks of loss related to thefts of, damage to, and destruction of assets, errors and omissions, injuries to employees, employee health and natural disasters. These risks are covered by commercial insurance purchased from independent third parties.

NOTE 9– SUBSEQUENT EVENT

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 17, 2013. ACSA's charters were set to expire on June 30, 2012. A one-year charter renewal was granted through June 30, 2013. Effective July 1, 2013, the charters for Alice M. Harte Elementary and Edna Karr Senior High are operating under another charter management organization. As of the date of this report, ACSA is contracted by InspireNOLA for financial and human resource services for Alice M. Harte Elementary and Edna Karr Senior High. ACSA has remitted \$2,000,000 to InspireNOLA for operational expenses and all capital assets have been transferred.

REQUIRED SUPPLEMENTARY INFORMATION

ALGIERS CHARTER SCHOOL ASSOCIATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
HARTE SCHOOL FUND
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Budget -Positive</u>
				<u>(Negative)</u>
Revenues				
State public school funding	\$5,308,775	\$ 5,702,367	\$ 5,718,639	\$ 16,272
Other state funding	12,000	12,000	15,361	3,361
Federal grants	473,971	473,971	589,737	115,766
School food reimbursements	249,021	249,021	286,139	37,118
Donations and contributions	5,000	5,000	-	(5,000)
Other revenue	23,700	23,700	106,014	82,314
Total Revenues	<u>6,072,467</u>	<u>6,466,059</u>	<u>6,715,890</u>	<u>249,831</u>
Expenditures				
Salaries and benefits	4,245,491	4,590,870	4,816,751	(225,881)
Professional and technical services	585,318	642,677	99,327	543,350
Property services	151,058	139,620	46,452	93,168
Other services	824,492	792,746	690,188	102,558
Supplies and utilities	157,542	181,759	162,895	18,864
Other	108,326	116,197	261,790	(145,593)
Total Expenditures	<u>6,072,227</u>	<u>6,463,869</u>	<u>6,077,403</u>	<u>386,466</u>
Excess of Revenues				
Over Expenditures	<u>240</u>	<u>2,190</u>	<u>638,487</u>	<u>636,297</u>
Other Financing Sources (Uses)				
Transfer in	-	-	-	-
Transfer Out	<u>-</u>	<u>-</u>	<u>(3,153,539)</u>	<u>3,153,539</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(3,153,539)</u>	<u>3,153,539</u>
Excess of revenues and other sources				
over (under) expenditures and				
other uses	<u>240</u>	<u>2,190</u>	<u>(2,515,052)</u>	<u>(2,517,242)</u>
Fund Balances, Beginning of Year	<u>2,515,052</u>	<u>2,515,052</u>	<u>2,515,052</u>	<u>-</u>
Fund Balances, End of Year	<u>\$2,515,292</u>	<u>\$ 2,517,242</u>	<u>\$ -</u>	<u>\$ (2,517,242)</u>

ALGIERS CHARTER SCHOOL ASSOCIATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
KARR SCHOOL FUND
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Budget -Positive</u>
				<u>(Negative)</u>
Revenues				
State public school funding	\$ 7,659,225	\$ 8,140,275	\$ 8,175,440	\$ 35,165
Other state funding	2,000	2,000	28,751	26,751
Federal grants	792,235	792,235	1,353,778	561,543
School food reimbursements	149,306	149,306	180,077	30,771
Donations and contributions	5,000	5,000	-	(5,000)
Other revenue	-	-	190,465	190,465
Total Revenues	<u>8,607,766</u>	<u>9,088,816</u>	<u>9,928,511</u>	<u>839,695</u>
Expenditures				
Salaries and benefits	5,880,726	6,227,840	6,620,102	392,262
Professional and technical services	878,965	911,894	298,187	(613,707)
Property services	416,447	387,918	260,997	(126,921)
Other services	887,481	983,197	968,399	(14,798)
Supplies and utilities	388,963	335,463	465,936	130,473
Other	155,184	164,806	480,573	315,767
Total Expenditures	<u>8,607,766</u>	<u>9,011,118</u>	<u>9,094,194</u>	<u>83,076</u>
Excess of Revenues				
Over Expenditures	<u>-</u>	<u>77,698</u>	<u>834,317</u>	<u>756,619</u>
Other Financing Sources (Uses)				
Transfer in	-	-	-	-
Transfer Out	-	-	(4,107,447)	(4,107,447)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(4,107,447)</u>	<u>(4,107,447)</u>
Excess of revenues and other sources				
over (under) expenditures and				
other uses	<u>-</u>	<u>77,698</u>	<u>(3,273,130)</u>	<u>(3,350,828)</u>
Fund Balances, Beg of Year	<u>3,273,130</u>	<u>3,273,130</u>	<u>3,273,130</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 3,273,130</u>	<u>\$ 3,350,828</u>	<u>\$ -</u>	<u>\$ (3,350,828)</u>

Hienz Macaluso^{LLC}

Certified Public Accountants

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

December 17, 2013

Board of Directors of
Algiers Charter School Association

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standard* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Algiers Charter School Association ("ACSA"), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise ACSA's basic financial statements, and have issued our report thereon dated December 17, 2013

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered ACSA's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of ACSA's internal control. Accordingly, we do not express an opinion on the effectiveness of ACSA's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether ACSA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of ACSA's Finance Committee, management, the State of Louisiana Legislative Auditor, federal awarding agencies, state funding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Hienz & Macaluso, LLC
Metairie, LA

SINGLE AUDIT SECTION

**Hienz
Macaluso_{LLC}**
Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB
CIRCULAR A-133**

December 17, 2013

Board of Directors of
Algiers Charter School Association

Compliance

We have audited the compliance of Algiers Charter School Association ("ACSA"), with the types of compliance requirements described in the U S Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2013. ACSA's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of ACSA's management. Our responsibility is to express an opinion on ACSA's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about ACSA's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of ACSA's compliance with those requirements.

In our opinion, ACSA, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2013.

Internal Control Over Compliance

Management of ACSA is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered ACSA's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of ACSA's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned

functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of Algiers Charter School Association's Finance Committee, management, the State of Louisiana Legislative Auditor, federal awarding agencies, state funding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Hienz & Macaluso, LLC
Metairie, LA

**ALGIERS CHARTER SCHOOL ASSOCIATION
SCHEDULE OF EXPENDITURES OFFEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Disbursements/ Expenditures</u>
<u>U S Department of Education</u>		
Direct Programs		
Teaching American History	84 215	\$ 456,437
Gulf Coast Recovery	84 215	55,331
Passed-Through State Department of Education		
Advanced Placement Test Fee Program	84 33	14,217
ESEA of 1965, Title I, Part A	84 010	1,001,117
Special Education Cluster (IDEA)		
Believe and Include	84 027	56,263
IDEA, Part B	84 027	129,738
Total School Improvement Grants Cluster		186,001
ESEA of 1965, Title II, Part A	84 367	105,408
Hurricane Katrina Foreign Contributions	84 940	23,133
Passed-Through National Institute for Excellence in Teaching		
Teacher Incentive Fund	84 374	79,744
TOTAL U S DEPARTMENT OF EDUCATION		1,921,388
<u>U S Department of Agriculture</u>		
Passed-Through State Department of Agriculture		
National School Lunch Program		
Free and Reduced Price Meals	10 555	480,989
TOTAL U S DEPARTMENT OF AGRICULTURE		480,989
<u>U S Department of Homeland Security</u>		
Passed-Through State Department of Homeland Security		
FEMA Reimbursement	97 036	31,320
TOTAL U S DEPARTMENT OF AGRICULTURE		31,320
TOTAL FEDERAL ASSISTANCE		\$ 2,433,697

¹ Major Program

The accompanying footnotes to Schedule of Expenditures of Federal Awards are an integral part of this schedule

**ALGIERS CHARTER SCHOOL ASSOCIATION
NOTES TO THE SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
JUNE 30, 2013**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of Federal Awards includes the federal grant activity of ACSA and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

2 ACCRUED AND DEFERRED REIMBURSEMENT

Various reimbursement procedures are used for federal awards received by ACSA. Consequently, timing differences between expenditures and program reimbursements can exist at the beginning and the end of the year.

3 PAYMENTS TO SUBRECIPIENTS

There were no payments to subrecipients for the year ended June 30, 2013.

ALGIERS CHARTER SCHOOL ASSOCIATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
JUNE 30, 2013

A. SUMMARY OF AUDIT RESULTS

- 1 The independent auditors' report expresses an unqualified opinion on the financial statements of the Algiers Charter School Association
- 2 No control deficiencies relating to the audit of the financial statements are reported in the *Report on Internal Control Over Financial Reporting and on compliance and Other Matters based on an audit of Financial Statements Performed in Accordance With Government Auditing Standards*
- 3 No instances of noncompliance material to the financial were disclosed during the audit
- 4 No control deficiencies relating to the audit of the major federal award programs are reported in the *Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Federal Award Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133*
- 5 The auditors' report on compliance with requirements applicable to major federal award programs for Algiers Charter School Association expresses an unqualified opinion
- 6 The auditors' report disclosed no findings that were required to be reported in accordance with Section 510(a) of OMB Circular A-133
- 7 A management letter was not issued for the year ended June 30, 2013
- 8 The programs tested as major programs were

	<u>CFDA No</u>
National School Lunch Program	10 555
Special Education Grants to States	84 027
- 9 The threshold for distinguishing between type A and type B programs was \$300,000
- 10 Algiers Charter School Association was determined to not be a low-risk auditee

ALGIERS CHARTER SCHOOL ASSOCIATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
JUNE 30, 2013

B. FINDINGS RELATED TO THE FINANCIAL STATEMENTS

There were no findings required to be reported in this section

C. FINDINGS AND QUESTIONED COSTS RELATED TO MAJOR FEDERAL AWARD PROGRAMS

There were no findings required to be reported in this section

**ALGIERS CHARTER SCHOOL ASSOCIATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013**

A. FINDINGS RELATED TO THE FINANCIAL STATEMENTS

2012-1 Food Service Accounts

During the course of our audit, we noted that the food services cash account has a misappropriation of approximately \$500 which was detected by the client in May of 2012. During our examination we determined that the Point-of-sale reports indicated several over/(under) amounts on a daily basis, an indication that items are not properly recorded as sales in the point-of-sale system. We were unable to reasonably determine an amount associated with this discrepancy.

This finding was resolved.

B. FINDINGS AND QUESTIONED COSTS RELATED TO MAJOR FEDERAL AWARD PROGRAMS

There were no findings required to be reported in this section.

C. MANAGEMENT LETTER

A management letter was not issued for the year ended June 30, 2012.

PERFORMANCE STATISTICAL DATA

Hienz Macaluso^{LLC}

Certified Public Accountants

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

December 17, 2013

Board of Directors
Algiers Charter School Association
New Orleans, Louisiana

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Algiers Charter School Association ("ACSA") and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the accompanying performance and statistical data and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE). This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings related to the accompanying schedules of supplemental information and are as follows:

PROCEDURES AND FINDINGS

General Fund Instructional and Support Expenditures and Certain Local Revenue Sources (Schedule 1)

1. We selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following reported on the schedule:

- ❖ Total General Fund Instructional Expenditures,
- ❖ Total General Fund Equipment Expenditures,
- ❖ Total Local Taxation Revenues,
- ❖ Total Local Earnings on Investment in Real Property,
- ❖ Total State Revenue in Lieu of Taxes,
- ❖ Nonpublic Textbook Revenue, and
- ❖ Nonpublic Transportation Revenue

We reviewed the supporting documentation for the selected transactions and determined that they were classified correctly and reported in the proper amounts on the appropriate schedule.

Education Levels of Public School Staff (Schedule 2)

- 2 We reconciled the total number of full-time classroom teachers per the schedule "Experience of Public Principals, Assistant Principals, and Full-Time Classroom Teachers" (Schedule 4) to the combined total number of full-time classroom teachers per this schedule and to school board supporting payroll records as of October 1, 2012

No differences were noted

- 3 We reconciled the combined total of principals and assistant principals per the schedule "Experience of Public Principals, Assistant Principals, and Full-Time Classroom Teachers" (Schedule 4) to the combined total of principals and assistant principals per this schedule

No differences were noted

- 4 We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1, 2012 as reported on the schedule. We traced a random sample of 25 teachers to their respective personnel file and determined if their education level was properly classified on the schedule

The education levels were properly reported

Number and Type of Public Schools (Schedule 3)

- 5 We compared the list of schools by type as reported on the schedule. We compared the list to the schools and grade levels as reported on the Title I Grants to Local Educational Agencies (CFDA 84 010) application and/or the National School Lunch Program (CFDA 10 555) application

No differences were noted

Experience of Public Principals, Assistant Principals, and Full-Time Classroom Teachers (Schedule 4)

- 6 We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1, 2012 and as reported on the schedule and traced the same sample used in procedure 4 to the individual's personnel file and determined if the individual's experience was properly classified on the schedule

No differences were noted

Public School Staff Data (Schedule 5)

- 7 We obtained a listing of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status as well as full-time equivalent as reported on the schedule and traced a random sample of 25 teachers to their personnel file and determined if their salary, extra compensation, and full-time equivalents were properly included on the schedule

No differences were noted

- 8 For all 25 teachers, we recalculated the average salaries and full-time equivalents reported in the schedule

No differences were noted

Class Size Characteristics (Schedule 6)

- 9 We obtained a list of classes by school, school type and class size as reported on the schedule and reconciled school type classifications to Schedule 3 data, as obtained in procedure 5 We then traced a sample of ten classes to computerized summary reports of the October 1st roll books for those classes and determined if the class was properly classified in the schedule

No differences were noted

Louisiana Educational Assessment Program (LEAP) for The 21st Century (Schedule 7)

10. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by ACSA

No differences were noted

The Graduation Exit Exam for the 21st Century (Schedule 8)

- 11 We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by ACSA This schedule is not applicable for the fiscal year 2013

No differences were noted

The LEAP Tests (Schedule 9)

- 12 We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by ACSA

No differences were noted

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on management's assertions Accordingly, we do not express such an opinion Had we performed additional procedures, other matters might have come to our attention that would have been reported to you

This report is intended solely for the use of management of Algiers Charter School Association, the Louisiana Department of Education, the Louisiana Legislature, and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes Under Louisiana Revised Statute 24 513, this report is distributed by the Legislative Auditor as a public document

Hienz & Macaluso, LLC
Metairie, LA

ALGIERS CHARTER SCHOOL ASSOCIATION
New Orleans, Louisiana

General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2013

<u>General Fund Instructional and Equipment Expenditures</u>	Column A	Column B
General Fund Instructional Expenditures		
Teacher and Student Interaction Activities		
Classroom Teacher Salaries	\$ 4,325,266	
Other Instructional Staff Activities	900,469	
Instructional Staff Employee Benefits	1,658,268	
Purchased Professional and Technical Services	46,945	
Instructional Materials and Supplies	225,582	
Instructional Equipment	<u>-</u>	
Total Teacher and Student Interaction Activities		7,156,530
Other Instructional Activities		44,820
Pupil Support Services	861,626	
Less Equipment for Pupil Support Services	<u>-</u>	
Net Pupil Support Services		861,626
Instructional Staff Services	572,796	
Less Equipment for Instructional Staff Services	<u>-</u>	
Net Instructional Staff Services		572,796
School Administration	1,888,656	
Less Equipment for School Administration	<u>-</u>	
Net School Administration		<u>1,888,656</u>
Total General Fund Instructional Expenditures (Total of Column B)		<u><u>\$ 10,524,428</u></u>
Total General Fund Equipment Expenditures (Object 730, Function Series 1000-4000)		<u><u>\$ -</u></u>

**ALGEIRS CHARTER SCHOOL ASSOCIATION
New Orleans, Louisiana**

**General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2013**

Certain Local Revenue Sources

Local Taxation Revenue

Advalorem Taxes

Constitutional Ad Valorem Taxes	\$ -
Renewable Ad Valorem Tax	-
Debt Service Ad Valorem Tax	-
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	-
Result of Court Ordered Settlement (Ad Valorem)	-
Penalties/Interest on Ad Valorem Taxes	-
Taxes Collected Due to Tax Incremental Financing (TIF)(Ad Valorem)	-

Sales Taxes

Sales and Use Taxes - Gross	\$ -
Sales/Use Taxes - Court Settlement	-
Penalties/Interest on Sales/Use Taxes	-
Sales/Use Taxes Collected Due to TIF	-
Total Local Taxation Revenue	\$ -

Local Earnings on Investment in Real Property

Earnings from 16th Section Property	\$ -
Earnings from Other Real Property	-
Total Local Earnings on Investment in Real Property	\$ -

State Revenue in Lieu of Taxes

Revenue Sharing - Constitutional Tax	\$ -
Revenue Sharing - Other Taxes	-
Revenue Sharing - Excess Portion	-
Other Revenue in Lieu of Taxes	-
Total State Revenue in Lieu of Taxes	\$ -

Nonpublic Textbook Revenue

\$ -

Nonpublic Transportation Revenue

\$ -

See Independent Accountant report on Agreed-Upon Procedures

ALGIERS CHARTER SCHOOL ASSOCIATION
New Orleans, Louisiana

Schedule 2

Education Levels of Public School Staff
As of October 1, 2012

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	0	0%	0	0%	0	0%	0	0%
Bachelor's Degree	57	57%	2	100%	0	0%	0	0%
Master's Degree	36	36%	0	0%	3	60%	0	0%
Master's Degree + 30	7	7%	0	0%	2	40%	0	0%
Specialist in Education	0	0%	0	0%	0	0%	0	0%
Ph D or Ed D	0	0%	0	0%	0	0%	0	0%
Total	100	100%	2	100%	5	100%	0	0%

See Independent Accountant report on Agreed-Upon Procedures

ALGIERS CHARTER SCHOOL ASSOCIATION
New Orleans, Louisiana

Schedule 3

Number and Type of Public Schools
For the Year Ended June 30, 2013

Type	Number
Elementary	1
Middle Jr High	0
Secondary	1
Combination	0
Total	2

See Independent Accountant report on Agreed-Upon Procedures

ALGIERS CHARTER SCHOOL ASSOCIATION
New Orleans, Louisiana

Schedule 4

Experience of Public Principals, Assistant Principals, and Full-Time Classroom Teachers
As of October 1, 2012

	0-1 Yr	2-3 Yrs	4-10 Yrs	11-14 Yrs	15-19 Yrs	20-24 Yrs	25+ Yrs	Total
Assistant Principals	0	0	1	0	2	0	0	3
Principals	0	0	0	1	0	0	1	2
Classroom Teachers	22	11	28	7	11	5	18	102
Total	22	11	29	8	13	5	19	107

See Independent Accountant report on Agreed-Upon Procedures

ALGIERS CHARTER SCHOOL ASSOCIATION
New Orleans, Louisiana

Schedule 5

Public School Staff Data Average Salaries
For the Year Ended June 30, 2013

	All Classroom Teachers	Classroom Teachers Excluding ROTC and Rehired Retirees
Average Classroom Teachers' Salary Including Extra Compensation	\$47,715.15	\$47,715.15
Average Classroom Teachers' Salary Excluding Extra Compensation	\$42,500.04	\$42,500.04
Number of Teacher Full-Time Equivalents (FTEs) used in Computation of Average Salaries	102	102

See Independent Accountant report on Agreed-Upon Procedures

ALGIERS CHARTER SCHOOL ASSOCIATION
New Orleans, Louisiana

Schedule 6

Class Size Characteristics
As of October 1, 2012

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	24 3%	35	58%	83	18 1%	26	0%	0
Elementary Activity Class	66 7%	2	0%	0	0 0%	0	33 3%	1
Middle High								
Middle High Activity Class								
High	28 8%	97	16%	55	49 0%	165	5 9%	20
High Activity Class	57 1%	28	12%	6	22.4%	11	8 2%	4
Combination								
Combination Activity Class								

See Independent Accountant report on Agreed-Upon Procedures

Louisiana Educational Assessment Program (LEAP)
For the Year Ended June 30, 2013

District Achievement Level Results	English Language Arts						Mathematics					
	2013		2012		2011		2013		2012		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	5	8%	8	13%	3	4%	7	11%	7	11%	11	16%
Mastery	28	42%	17	27%	22	31%	13	20%	17	27%	15	21%
Basic	30	45%	35	55%	36	51%	38	58%	34	53%	35	50%
Approaching Basic	1	2%	3	5%	7	10%	8	12%	5	8%	5	7%
Unsatisfactory	2	3%	1	2%	2	3%	0	0%	1	2%	4	6%
Total	66	100%	64	100%	70	100%	66	100%	64	100%	70	100%

District Achievement Level Results	Science						Social Studies					
	2013		2012		2011		2013		2012		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	1	2%	5	8%	1	1%	1	2%	3	5%	1	1%
Mastery	10	15%	13	20%	13	19%	10	15%	11	17%	17	24%
Basic	42	64%	38	59%	36	51%	44	67%	43	67%	45	64%
Approaching Basic	12	18%	8	13%	18	26%	9	14%	4	6%	4	6%
Unsatisfactory	1	2%		0%	2	3%	2	3%	3	5%	3	4%
Total	66	100%	64	100%	70	100%	66	100%	64	100%	70	100%

District Achievement Level Results	English Language Arts						Mathematics					
	2013		2012		2011		2013		2012		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	3	4%	3	4%	2	3%	5	7%	1	1%	0	0%
Mastery	22	32%	21	29%	13	22%	16	24%	7	10%	1	2%
Basic	34	50%	43	59%	40	68%	44	65%	55	75%	44	77%
Approaching Basic	7	10%	5	7%	4	7%	1	1%	8	11%	10	18%
Unsatisfactory	2	3%	1	1%	0	0%	2	3%	2	3%	2	4%
Total	68	100%	73	100%	59	100%	68	100%	73	100%	57	100%

District Achievement Level Results	Science						Social Studies					
	2013		2012		2011		2013		2012		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	0	0%	4	5%	0	0%	2	3%	2	3%	0	0%
Mastery	19	28%	39	53%	10	17%	12	18%	19	26%	10	17%
Basic	35	52%	27	37%	35	59%	37	55%	47	64%	38	63%
Approaching Basic	12	18%	2	3%	13	22%	14	21%	3	4%	10	17%
Unsatisfactory	1	1%	1	1%	1	2%	2	3%	3	4%	2	3%
Total	67	100%	73	100%	59	100%	67	100%	74	100%	60	100%

See Independent Accountant report on Agreed-Up Procedures

Graduation Exit Examination (GEE)
For the Year Ended June 30, 2013

District Achievement Level Results	English Language Arts						Mathematics					
	2013		2012		2011		2013		2012		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 10												
Advanced	0	0%	0	0%	0	0%	0	0%	0	0%	7	3%
Mastery	0	0%	0	0%	9	4%	0	0%	0	0%	25	12%
Basic	0	0%	0	0%	110	54%	0	0%	0	0%	103	49%
Approaching Basic	0	0%	1	13%	56	27%	0	0%	3	23%	32	15%
Unsatisfactory	0	0%	7	88%	29	14%	0	0%	10	77%	43	20%
Total	0	0%	8	100%	204	100%	0	0%	13	100%	210	100%

District Achievement Level Results	Science						Social Studies					
	2013		2012		2011		2013		2012		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 11												
Advanced	0	0%	4	2%	3	1%	0	0%	6	3%	0	0%
Mastery	0	0%	30	14%	19	8%	2	50%	20	9%	23	10%
Basic	0	0%	90	41%	123	53%	2	50%	122	56%	145	63%
Approaching Basic	4	100%	63	29%	59	26%	0	0%	46	21%	37	16%
Unsatisfactory	0	0%	31	14%	26	11%	0	0%	24	11%	25	11%
Total	4	100%	218	100%	230	100%	4	100%	218	100%	230	100%

See Independent Accountant report on Agreed-Upon Procedures

Iowa and iLEAP Tests
For the Year Ended June 30, 2013

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2011		2011		2011		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	4	6 1%	6	9 1%	0	0 0%	1	1 5%
Mastery	19	28 8%	12	18 2%	9	13 6%	3	4 5%
Basic	30	45 5%	32	48 5%	24	36 4%	34	51 5%
Approaching Basic	9	13 6%	10	15 2%	25	37 9%	19	28 8%
Unsatisfactory	4	6 1%	6	9 1%	8	12 1%	9	13 6%
Total	66	100 0%	66	100 0%	66	100 0%	66	100 0%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2011		2011		2011		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	5	6 8%	4	5 5%	6	8 2%	1	1 4%
Mastery	20	27 4%	12	16 4%	10	13 7%	22	30 1%
Basic	38	52 1%	39	53 4%	28	38 4%	26	35 6%
Approaching Basic	8	11 0%	8	11 0%	25	34 2%	15	20 5%
Unsatisfactory	2	2 7%	10	13 7%	4	5 5%	9	12 3%
Total	73	100 0%	73	100 0%	73	100 0%	73	100 0%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2011		2011		2011		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	2	2 7%	4	5 6%	2	2 7%	4	5 5%
Mastery	9	12 3%	11	15 3%	10	13 7%	12	16 4%
Basic	51	69 9%	48	66 7%	49	67 1%	44	60 3%
Approaching Basic	11	15 1%	5	6 9%	10	13 7%	8	11 0%
Unsatisfactory	0	0 0%	4	5 6%	2	2 7%	5	6 8%
Total	73	100 0%	72	100 0%	73	100 0%	73	100 0%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2011		2011		2011		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	3	3 8%	2	2 5%	1	1 3%	6	7 5%
Mastery	14	17 5%	7	8 8%	40	50 0%	19	23 8%
Basic	59	73 8%	60	75 0%	35	43 8%	50	62 5%
Approaching Basic	4	5 0%	10	12 5%	4	5 0%	3	3 8%
Unsatisfactory	0	0 0%	1	1 3%	0	0 0%	2	2 5%
Total	80	100 0%	80	100 0%	80	100 0%	80	100 0%

District Achievement Level Results	English Language Arts		Mathematics	
	2011		2011	
Students	Number	Percent	Number	Percent
Grade 9				
Advanced	0	0 0%	0	0 0%
Mastery	0	0 0%	0	0 0%
Basic	0	0 0%	0	0 0%
Approaching Basic	0	0 0%	0	0 0%
Unsatisfactory	0	0 0%	0	0 0%
Total	0	0 0%	0	0 0%

See Independent Accountant report on Agreed-Upon Procedures

ALGIERS CHARTER SCHOOL ASSOCIATION
New Orleans, Louisiana

Schedule 9
(Continued)

Iowa and iLEAP Tests
For the Year Ended June 30, 2013

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	2	3.4%	4	6.9%	2	3.4%	0	0.0%
Mastery	18	31.0%	12	20.7%	12	20.7%	15	25.9%
Basic	29	50.0%	32	55.2%	28	48.3%	29	50.0%
Approaching Basic	6	10.3%	5	8.6%	15	25.9%	6	10.3%
Unsatisfactory	3	5.2%	5	8.6%	1	1.7%	8	13.8%
Total	58	100.0%	58	100.0%	58	100.0%	58	100.0%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	2	2.7%	5	6.8%	3	4.1%	5	6.8%
Mastery	19	25.7%	6	8.1%	11	14.9%	15	20.3%
Basic	42	56.8%	41	55.4%	39	52.7%	38	51.4%
Approaching Basic	9	12.2%	15	20.3%	19	25.7%	10	13.5%
Unsatisfactory	2	2.7%	7	9.5%	2	2.7%	6	8.1%
Total	74	100.0%	74	100.0%	74	100.0%	74	100.0%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	3	4.0%	4	5.3%	1	1.3%	4	5.3%
Mastery	12	16.0%	16	21.3%	13	17.3%	12	16.0%
Basic	51	68.0%	46	61.3%	42	56.0%	36	48.0%
Approaching Basic	8	10.7%	6	8.0%	15	20.0%	18	24.0%
Unsatisfactory	1	1.3%	3	4.0%	4	5.3%	5	6.7%
Total	75	100.0%	75	100.0%	75	100.0%	75	100.0%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	1	1.4%	9	12.7%	4	5.5%	1	1.4%
Mastery	17	23.3%	15	21.1%	33	45.2%	21	28.8%
Basic	48	65.8%	40	56.3%	30	41.1%	41	56.2%
Approaching Basic	6	8.2%	6	8.5%	5	6.8%	5	6.8%
Unsatisfactory	1	1.4%	1	1.4%	1	1.4%	5	6.8%
Total	73	100.0%	71	100.0%	73	100.0%	73	100.0%

District Achievement Level Results	English Language Arts		Mathematics	
	2012		2012	
Students	Number	Percent	Number	Percent
Grade 9				
Advanced	0	0.0%	0	0.0%
Mastery	0	0.0%	0	0.0%
Basic	0	0.0%	0	0.0%
Approaching Basic	0	0.0%	0	0.0%
Unsatisfactory	0	0.0%	0	0.0%
Total	0	0.0%	0	0.0%

See Independent Accountant report on Agreed-Up Procedures

Iowa and iLEAP Tests
For the Year Ended June 30, 2013

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2013		2013		2013		2013	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	5	6%	5	6%	1	1%	2	2%
Mastery	23	28%	20	24%	11	13%	15	18%
Basic	40	49%	40	48%	46	55%	41	49%
Approaching Basic	12	15%	15	18%	19	23%	18	22%
Unsatisfactory	2	2%	3	4%	6	7%	7	8%
Total	82	100%	83	100%	83	100%	83	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2013		2013		2013		2013	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	0	0%	3	4%	0	0%	3	4%
Mastery	18	25%	17	23%	10	14%	10	14%
Basic	37	51%	42	58%	42	58%	38	55%
Approaching Basic	14	19%	9	12%	14	19%	11	16%
Unsatisfactory	3	4%	2	3%	6	8%	7	10%
Total	72	100%	73	100%	72	100%	69	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2013		2013		2013		2013	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	2	3%	7	9%	3	4%	7	9%
Mastery	21	26%	20	25%	13	18%	6	8%
Basic	44	55%	38	47%	38	51%	44	56%
Approaching Basic	10	13%	10	12%	14	19%	10	13%
Unsatisfactory	3	4%	6	7%	6	8%	11	14%
Total	80	100%	81	100%	74	100%	78	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2013		2013		2013		2013	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	4	6%	5	7%	5	7%	7	10%
Mastery	23	32%	23	33%	29	41%	16	23%
Basic	36	51%	36	52%	28	39%	38	54%
Approaching Basic	8	11%	3	4%	7	10%	7	10%
Unsatisfactory	0	0%	2	3%	2	3%	2	3%
Total	71	100%	69	100%	71	100%	70	100%

District Achievement Level Results	English Language Arts		Mathematics	
	2013		2013	
Students	Number	Percent	Number	Percent
Grade 9				
Advanced	0	0 0%	0	0 0%
Mastery	0	0 0%	0	0 0%
Basic	0	0 0%	0	0 0%
Approaching Basic	0	0 0%	0	0 0%
Unsatisfactory	0	0 0%	0	0 0%
Total	0	0 0%	0	0 0%

See Independent Accountant report on Agreed-Upon Procedures

ALGIERS CHARTER SCHOOL ASSOCIATION
FINANCIAL STATEMENTS
For the Year Ending June 30, 2013

ALGIERS CHARTER SCHOOL ASSOCIATION

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ALGIERS CHARTER SCHOOL ASSOCIATION

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FINANCIAL SECTION

Hienz Macaluso^{LLC}

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

December 18, 2013

Board of Directors
Algiers Charter School Association
New Orleans, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of Algiers Charter School Association (a nonprofit organization), which comprise the statement of financial position as of June 30, 2013 and 2012, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Algiers Charter School Association as of June 30, 2013 and 2012, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America

Other Matters*Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

The schedules required by Louisiana State Law included as Schedules 1 through 9, are not required part of the basic financial statements, but are supplementary information required by Louisiana State Law. We have applied certain limited procedures, which are described in the Independent Accountant's Report on Applying Agreed-Upon Procedures. However, we did not audit this information and, accordingly, express no opinion on it.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 18, 2013, on our consideration of Algiers Charter School Association's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Algiers Charter School Association's internal control over financial reporting and compliance.

Kienz & Macaluso, LLC
Metairie, LA

BASIC FINANCIAL STATEMENTS

ALGIERS CHARTER SCHOOL ASSOCIATION
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2013 and 2012

	<u>2013</u>	<u>Restated 2012</u>
<u>ASSETS</u>		
Current Assets:		
Cash and cash equivalents	\$ 11,405,347	\$ 13,638,255
Investments	2,751	-
Intergovernmental receivables	1,977,572	3,133,229
Other receivables	101,183	107,849
Prepaid expenses	231,990	17,050
Due from pooled cash, net	-	117,768
Total Current Assets	<u>13,718,843</u>	<u>17,014,151</u>
Other Assets:		
Deposits	-	4,950
Total Other Assets	<u>-</u>	<u>4,950</u>
Noncurrent Assets:		
Property and equipment (net of accumulated depreciation)	<u>158,580</u>	<u>871,649</u>
Total Assets	<u>\$ 13,877,423</u>	<u>\$ 17,890,750</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 2,225,550	\$ 3,732,984
Due to other governments	-	410,744
Due to other agencies	525,590	403,321
Deferred revenues	-	52,770
Due to pooled cash, net	<u>223,719</u>	<u>-</u>
Total Current Liabilities	<u>2,974,859</u>	<u>4,599,819</u>
Noncurrent Liabilities:		
Note Payable	<u>-</u>	<u>310,606</u>
Total Liabilities	<u>2,974,859</u>	<u>4,910,425</u>
Net Assets:		
Reserved for capital assets	158,580	871,649
Restricted	211,979	-
Unrestricted	<u>10,532,005</u>	<u>12,108,676</u>
Total Net Assets	<u>10,902,564</u>	<u>12,980,325</u>
Total Liabilities and Net Assets	<u>\$ 13,877,423</u>	<u>\$ 17,890,750</u>

The notes to the financial statements are an integral part of this statement

**ALGIERS CHARTER SCHOOL ASSOCIATION
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013 and 2012**

	<u>2013</u>	<u>Restated 2012</u>
UNRESTRICTED NET ASSETS		
Public Support and Other Revenues		
Minimum foundation program	\$ 29,110,704	\$ 28,183,439
Restricted grants in aid - Federal and State	7,188,844	9,772,057
Miscellaneous revenue	608,127	3,436,380
Donations - unrestricted	273,901	11,097
Unrestricted grants in aid - State	<u>26,210</u>	<u>3,119</u>
Total Public Support and Other Revenues	<u>37,207,786</u>	<u>41,406,092</u>
Expenses		
Program services		
Instructional	29,066,996	30,979,571
Supporting services		
Management and general	<u>10,218,551</u>	<u>13,061,137</u>
Total Expenses	<u>39,285,547</u>	<u>44,040,708</u>
Decrease in Unrestricted Net Assets	(2,077,761)	(2,634,616)
Net assets at beginning of fiscal year	<u>12,980,325</u>	<u>15,614,941</u>
Net assets at end of fiscal year	<u>\$ 10,902,564</u>	<u>\$ 12,980,325</u>

The notes to the financial statements are an integral part of this statement

**ALGIERS CHARTER SCHOOL ASSOCIATION
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2013 and 2012**

	<u>2013</u>	<u>Restated 2012</u>
Cash flows from Operating Activities:		
Decrease in net assets	\$ (2,077,761)	\$ (2,634,616)
Adjustments to reconcile increase in net assets to net		
Cash provided/(used) by operating activities		
Depreciation	748,146	656,752
Gain/loss on disposal of assets	15,271	193,708
(Increase)/decrease in assets		
Accounts receivable	1,155,657	2,391,504
Other receivables	6,666	58,902
Prepaid expense	(214,940)	(17,050)
Due from pooled cash	117,768	(72,699)
Deposits	4,950	1,750
Increase/(decrease) in liabilities		
Accounts payable and other accrued expenses	(1,507,434)	703,224
Deferred revenues	(52,770)	(21,704)
Due to pooled cash, net	223,719	-
Due to other governments	(410,744)	-
Due to other funds	122,269	(402,570)
Net cash provided/(used) by operating activities	<u>(1,869,203)</u>	<u>857,201</u>
Cash Flows from Investing Activities:		
Purchase of investments	6,884,351	-
Redemptions	(6,889,853)	-
Interest reinvested	2,751	-
Purchase of capital assets	(50,348)	-
Net cash provided by investing activities	<u>(53,099)</u>	<u>-</u>
Cash Flows from Financing Activities:		
Proceeds from note payable	-	342,300
Payments on note payable	(310,606)	(31,694)
Net cash provided/(used) by investing activities	<u>(310,606)</u>	<u>310,606</u>
Net increase/(decrease) in cash and cash equivalents	(2,232,908)	1,167,807
Cash and cash equivalents, Beginning of Year	<u>13,638,255</u>	<u>12,470,448</u>
Cash and cash equivalents, End of Year	<u>\$ 11,405,347</u>	<u>\$ 13,638,255</u>

The notes to the financial statements are an integral part of this statement

**ALGIERS CHARTER SCHOOL ASSOCIATION
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2013 and 2012
(Totals Only)**

Expenses:	<u>Instructional</u>	<u>General</u>	<u>Expenses</u>	<u>2012</u>
Salaries and benefits	\$ 26,161,064	\$ 2,109,581	\$ 28,270,645	\$ 29,205,444
Professional services	533,918	790,383	1,324,301	1,930,765
Travel	97,248	17,217	114,465	233,299
Supplies	1,098,740	145,784	1,244,524	1,314,396
Utilities	-	568,156	568,156	592,891
Rent	16,392	209,607	225,999	271,579
Insurance	-	493,318	493,318	234,259
Communication	174,292	48,958	223,250	239,473
Repairs and maintenance	360	1,852,405	1,852,765	1,834,936
Transportation	-	2,544,376	2,544,376	2,445,106
Food service management	-	1,285,017	1,285,017	1,418,485
Depreciation Expense	655,792	92,354	748,146	656,752
Other	329,190	61,395	390,585	3,663,323
	<u>\$ 29,066,996</u>	<u>\$ 10,218,551</u>	<u>\$ 39,285,547</u>	<u>\$ 44,040,708</u>

The notes to the financial statements are an integral part of this statement

**ALGIERS CHARTER SCHOOL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013 and 2012**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Algiers Charter School Association ("ACSA") was incorporated in October 2005 for the purpose of operating charter schools in New Orleans. The State Board of Elementary and Secondary Education ("BESE") has granted ACSA six (6) Type 5 charters to operate Algiers Technology Academy, Martin Behrman Elementary, Dwight D. Eisenhower Elementary, William J. Fischer Elementary, McDonogh #32 Elementary, and Lord Beaconsfield Landry-O'Perry Walker College and Career Preparatory High School. The original charters ending June 30, 2011 and June 30, 2012 were renewed as discussed below. The ACSA Board of Directors governs all ACSA schools.

In addition to the six (6) schools operated under the charter agreement with BESE, ACSA operates two (2) schools under a charter agreement with Orleans Parish School Board through June 30, 2013. These two (2) schools, Alice M. Harte Elementary and Edna Karr Senior High, are reported separately. Because the School Support Center provides services to all eight (8) charter schools, these funds are allocated between the two entities based on the attendance of the various schools.

In January 2012, several of the ACSA schools were under charter renewal consideration based upon the academic, financial, and compliance requirements as of June 30, 2010. Based on the results, BESE granted new charter terms for the following Type 5 schools operated by ACSA:

- | | |
|-----------------------------------------------------------------------------------------|----------------------|
| • Martin Behrman Academy of Creative Arts and Sciences | 7/1/2011 – 6/30/2015 |
| • Dwight D. Eisenhower Academy of Global Studies | 7/1/2011 – 6/30/2014 |
| • William J. Fischer Accelerated Academy | 7/1/2011 – 6/30/2014 |
| • McDonogh #32 Literacy Academy | 7/1/2011 – 6/30/2014 |
| • Lord Beaconsfield Landry-O'Perry Walker College
and Career Preparatory High School | 7/1/2011 – 6/30/2014 |
| • Algiers Technology Academy | 7/1/2012 – 6/30/2015 |

Also, the charters provided to Orleans Parish School Board operated by ACSA received charter renewal as follows:

- | | |
|-----------------------------|----------------------|
| • Alice M. Harte Elementary | 7/1/2011 – 6/30/2013 |
| • Edna Karr Senior High | 7/1/2011 – 6/30/2013 |

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Functional Expenses

The cost of program and supporting services has been reported on a functional basis. This requires the allocation of certain costs based on total program costs and estimates made by management.

**ALGIERS CHARTER SCHOOL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013 and 2012**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Tax Status

ACSA is a tax-exempt organization under Internal Revenue Code Section 501 (c)(3) and, as such, is not subject to income tax

Public Support and Revenue

ACSA receives its support primarily from the Louisiana State Department of Education and the United States Department of Education

Irrevocable promises to give and outright contributions are recorded as revenue on the accrual basis as they are received, and allowances are provided for promises to give estimated to be uncollectible. Promises to give and contributions are principally received from corporate, foundation, and individual donors around the United States. Both promises to give and contributions are considered available for unrestricted use unless specifically restricted by donors. Irrevocable promises to give which relate to a subsequent year are recorded as receivables and temporarily restricted net assets in the year the commitment is received. Contributions whose donor restrictions are met in the same reporting period are reported as unrestricted support. ACSA uses the direct write-off method of writing off uncollectible receivables. Contributions of donated non-cash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net asset released from restrictions.

Deferred Revenue

Grant funds are considered to be earned when qualifying expenditures are made and all other grant requirements have been met and, accordingly, when such funds are received, they are recorded as deferred revenue until earned.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual amounts could differ from those estimates.

Cash and Cash Equivalents

Cash includes the amounts in demand deposits and interest-bearing deposits. Cash equivalents include amounts in time deposits with original maturities of ninety (90) days or less.

**ALGIERS CHARTER SCHOOL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013 and 2012**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

ACSA follows the provisions which establishes external financial reporting for not-for-profit organizations which includes three basic financial statements and the classification of resources into three separate classes of net assets, as follows

- Unrestricted – Net assets which are free of donor-imposed restrictions, all revenues, expenses, gains, and losses that are not changes in permanently or temporarily restricted net assets
- Temporarily Restricted – Net assets whose use by ACSA is limited by donor-imposed stipulations that either expire by the passage of time or that can be fulfilled or removed by actions of ACSA pursuant to such stipulations
- Permanently Restricted – Net assets whose use by ACSA is limited by donor-imposed stipulations that neither expire with the passage of time nor can be fulfilled and removed by actions of ACSA

Property and Equipment

Property and equipment are capitalized at cost. It is ACSA's policy to capitalize expenditures for these items in excess of \$5,000. Lesser amounts are expensed as incurred. Property and equipment are being depreciated over their estimated useful lives using the straight-line method using the following lives:

Furniture & Equipment	5 – 12 years
Building and Improvement	27 years

Property and equipment purchased with federal and state funds, are capitalized as an asset of ACSA. ACSA is required to transfer title to any asset purchased with federal and state funds if ACSA does not continue operations of the school related to those assets.

NOTE 2 – CASH AND CASH EQUIVALENTS AND INVESTMENTS

ACSA had the following cash as of June 30, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Demand Deposits	<u>\$ 11,405,347</u>	<u>\$ 13,638,255</u>
	<u>\$ 11,405,347</u>	<u>\$ 13,638,255</u>

Custodial credit risk is the risk that, in the event of a bank failure, ACSA's deposits might not be recovered. At June 30, 2013 and 2012, ACSA's demand deposit bank balances of \$17,582,511 and \$20,638,893 respectively, were entirely secured by federal deposit insurance and pledged securities held by ACSA's agent in ACSA's name. These amounts are inclusive of the bank accounts and School Support Center allocation reported separately for Alice M. Harte Elementary and Edna Karr Senior High, as described in Note 1.

**ALGIERS CHARTER SCHOOL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013 and 2012**

NOTE 3 – INTERFUND RECEIVABLES AND PAYABLES

ACSA uses a pooled cash account to track interfund receivables and payables. Due to/from pooled cash balances at June 30, 2013 are as follows:

<u>Due To Pooled Cash</u>	<u>Amount</u>	<u>Due From Pooled Cash</u>	<u>Amount</u>
School Support Center	\$ (10,518,136)	School Support Center SR	\$ 3,999
ATA school fund	(211,721)	ATA	-
ATA special revenue fund	(279,201)	ATA SR	-
Behrman	(17,075)	Behrman	1,848,539
Behrman SR	(287,820)	Behrman SR	38,085
Eisenhower	(13,980)	Eisenhower	2,591,736
Eisenhower SR	(312,750)	Eisenhower SR	42,369
Fischer	(21,189)	Fischer	1,213,645
Fischer SR	(277,617)	Fischer SR	48,296
McDonogh	(12,365)	McDonogh	589,442
McDonogh SR	(245,599)	McDonogh SR	59,592
Walker	(15,886)	Walker	6,101,355
Walker SR	(558,294)	Walker SR	10,856
 Total	 <u>\$ (12,771,633)</u>	 Total	 <u>\$ 12,547,914</u>

SR - Special Revenue Fund

The above due to/from other funds were short-term receivables or payables resulting from the normal course of ACSA's operations.

The total due to and due from pooled cash do not reconcile because of the School Support Center allocation described in Note 1. The elimination of the due to/due from pooled cash results in a "Due to Pooled Cash" balance of \$223,719. This amount is offset by an equal "Due from Pooled Cash" on the governmental financial statements which includes the schools Alice M. Harte Elementary and Edna Karr Senior High.

NOTE 4 – INTERFUND TRANSFERS

ACSA's transfers in (out) consist of interfund activity for the School Support Center allocation as discussed in Note 1 and indirect costs transfers.

**ALGIERS CHARTER SCHOOL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013 and 2012**

NOTE 4 – INTERFUND TRANSFERS (CONTINUED)

<u>Transfer In</u>	<u>Amount</u>	<u>Transfer Out</u>	<u>Amount</u>
SSC allocation from schools	\$ 3,065,988	ATA allocation to SSC	\$ -
SSC	13,424	Behrman allocation to SSC	(681,409)
ATA	52,508	Eisenhower allocation to SSC	(623,685)
Behrman	49,021	Fischer allocation to SSC	(658,669)
Eisenhower	49,462	McDonogh allocation to SSC	-
Fischer	54,660	Walker allocation to SSC	(1,102,308)
McDonogh	43,015	SSC SR	(13,424)
Walker	78,883	ATA SR	(52,508)
		Behrman SR	(49,020)
		Eisenhower SR	(49,463)
		Fischer SR	(54,660)
		McDonogh SR	(43,015)
		Walker SR	(78,883)
Total	<u>\$ 3,406,961</u>	Total	<u>\$ (3,407,044)</u>

SR - Special Revenue Fund

SSC-School Support Center

The above interfund transfers are resulting from the normal course of ACSA's operations

NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2013 and 2012 consists of the following

	<u>2013</u>	<u>2012</u>
Furniture, fixtures, and equipment	\$ 3,670,473	\$ 3,727,013
Buildings & building improvements	48,091	87,610
Less accumulated depreciation	<u>(3,559,984)</u>	<u>(2,942,974)</u>
 Property and equipment, net	 <u>\$ 158,580</u>	 <u>\$ 871,649</u>

Depreciation expense for ACSA for the years ended June 30, 2013 and 2012 was \$748,146 and \$656,752, respectively. During the years ended June 30, 2013 and 2012, ACSA acquired \$54,348 and \$0, respectively.

NOTE 6 – RETIREMENT PLANS

ACSA offers eligible employees the opportunity to participate in the Teachers' Retirement System (TRS), a state retirement plan, for those employees who are eligible to participate. TRS issues a separate financial

**ALGIERS CHARTER SCHOOL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013 and 2012**

NOTE 6 – RETIREMENT PLANS (CONTINUED)

report that includes financial statements and required supplementary information. This report may be obtained by writing or calling the plan.

Teachers' Retirement System of Louisiana
Post Office Box 94123
Baton Rouge, LA 70804-9123
(225) 925-6446

- 1 *Plan Description* – All teachers and administrative employees of ACSA are covered by defined benefit contributory pension plans administered and controlled by a separate Board of Trustees. The Board of Trustees administers plans which are cost-sharing multiple-employer public employee retirement systems.

Teachers and administrative employees belong to the Teachers' Regular Plan. Benefits are established by State Statute. TRS provides retirement benefits as well as death and disability benefits. Death and disability benefits vest after 5 years of credited service. Normal retirement is at age 60 with 10 years of service or 20 years of service regardless of age for the Teachers' Regular plan members. Retirement benefits are based upon the employee's age, their last three years of compensation and the number of years that the employee was contributing to TRS.

The percentage formula is applied to the average of the highest three successive annual salaries. The benefit is payable for life with eight available annuity payment plans. The plans also provide various death and disability benefits whereby the disabled employee or surviving spouse is entitled to receive amounts determined as defined by the plan.

- 2 *Contributions required and made* – Covered employees and ACSA are required by State Statute to contribute fixed percentages of employees' gross earnings to the pension plans. Current contribution rates for the plans are as follows:

	<u>Employee</u>	<u>Employer</u>
Teachers' Regular	8.00%	24.5%

ACSA's contributions for the years ended June 30, 2013 and 2012 were \$4,980,421 and 4,728,553, respectively.

NOTE 7 – CONTINGENCIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by such grantor agencies, principally the Federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds.

ALGIERS CHARTER SCHOOL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013 and 2012

NOTE 8 – RISK MANAGEMENT

ACSA is exposed to various risks of loss related to thefts of, damage to, and destruction of assets, errors and omissions, injuries to employees, employee health and natural disasters. These risks are covered by commercial insurance purchased from independent third parties.

NOTE 9 – UNCERTAIN INCOME TAXES

On July 1, 2009, ACSA adopted the provisions of the *Accounting for Uncertainty in Income Taxes* Topic of the FASB ASC. The implementation of this topic had no impact on the statement of financial position or statement of activities. ACSA's 2008 through 2011 tax returns have been filed appropriately. As of December 18, 2013, the School has been approved for an extension to file their 2012 tax return. The School recognizes interest and penalties, if any, related to unrecognized tax benefits in income tax expense. The School's tax filings are subject to audit by various taxing authorities. The School's open audit periods are 2009 - 2011. Management has evaluated the School's tax position and concluded that the School has taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance.

NOTE 10 – LEASES

ACSA leases its office space at 3712 MacArthur Boulevard, New Orleans, under the terms of an operating lease expiring September 14, 2013. ACSA entered into a new lease agreement for office space at 3520 General DeGaulle, New Orleans effective August 1, 2013, as described in Note 13.

Total rent expense amounted to \$53,365 and \$49,851 for the period ended June 30, 2013 and June 30, 2012, respectively.

The future minimum lease payments under the above leases are as follows:

<u>Fiscal Year End</u>	<u>Lease Commitment</u>
June 30, 2014	139,752
June 30, 2015	134,838
June 30, 2016	134,838
June 30, 2017	148,571
June 30, 2018	149,820
	<u>707,819</u>

NOTE 11 – RECLASSIFICATION

Certain reclassifications have been made to the 2012 financial statement presentation to correspond to the current year's format. Net assets and changes in net assets are unchanged due to these reclassifications.

**ALGIERS CHARTER SCHOOL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013 and 2012**

NOTE 12 – PRIOR PERIOD ADJUSTMENT

The Schedule of Activities by School identifies a prior period adjustment increasing net assets of school funds by \$965,067 and a decrease in net assets of special revenue funds in the same amount. There is no effect on the Statement of Activities. The transfer of net assets from special revenue funds to the general fund is related to a prior year correction of net assets in which revenues and expenditures were not properly matched. This error resulted in a net asset balance in special revenue funds when the activities should have been coded to the general fund. This correction releases the net assets from restricted to an unrestricted category.

NOTE 13 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through December 18, 2013, the date the financial statements were available to be issued. Subsequent to June 30, 2013, but prior to the report date ACSA entered into a lease agreement with the Orleans Parish School Board for office space at 3520 General DeGaulle, New Orleans, effective August 1, 2013 through July 31, 2018.

As of July 1, 2013 ASCA, will no longer operate Alice M. Harte Elementary and Edna Karr Senior High under the charter with the Orleans Parish School Board. ACSA has entered into a service agreement to perform financial and human resource services for the schools through June 30, 2014. The effect of this change will increase the School Support Center expense allocation by approximately 30 percent in subsequent years due to the lack of a separate reporting entity as discussed in Note 1.

NOTE 14 – DEFICIT IN NET ASSETS

At June 30, 2013, Algiers Technology Academy had a \$334,638 deficit in its General Fund due to its low enrollment. ACSA is taking the following steps to promote enrollment and ensure financial stability:

A major marketing campaign is being undertaken to increase enrollment. Billboards, online advertising, television and radio commercials and other advertising are being used to attract students. In addition, program upgrades are being undertaken to make the academic offerings more attractive to increase student's access to state-of-the-art equipment. In addition, ACSA continues to carefully monitor the financial status and to commit significant time in financial planning for fiscal year 2014 to ensure the best possible financial outcome.

SUPPLEMENTAL INFORMATION

ALGIERS CHARTER SCHOOL ASSOCIATION
SCHEDULE OF FINANCIAL POSITION BY SCHOOL
JUNE 30, 2013 and 2012 (Totals Only)

	2013					
	School Funds					
ASSETS	School Support Center	ATA	Behrman	Eisenhower	Fischer	McDonogh Walker
Current Assets						
Cash and cash equivalents	\$ 10,872,800	\$ 27,742	\$ 346,128	\$ 56,182	\$ 23,943	\$ 35,426 \$ 43,126
Investments	2,751	-	-	-	-	-
Intergovernmental receivables	-	-	-	-	-	-
Other receivables	54,160	18,662	(4,458)	(3,351)	20,105	17,317 (1,255)
Prepaid expenses	38,800	19,028	30,228	30,653	35,885	32,946 44,450
Due from pooled cash	-	-	1,848,539	2,591,736	1,213,645	589,442 6,101,355
Total Current Assets	10,968,511	65,432	2,220,437	2,675,220	1,293,578	675,131 6,187,676
Other Assets						
Deposits	-	-	-	-	-	-
Total Other Assets	-	-	-	-	-	-
Non-Current Assets						
Property and equipment (net of accumulated depreciation)	-	4,359	9,611	53,089	14,194	2,682 6,298
Total Assets	\$ 10,968,511	\$ 69,791	\$ 2,230,048	\$ 2,728,309	\$ 1,307,772	\$ 677,813 \$ 6,193,974
LIABILITIES AND NET ASSETS						
Current Liabilities						
Accounts payable and accrued expenses	\$ 178,067	\$ 165,036	\$ 343,484	\$ 375,879	\$ 364,822	\$ 242,407 \$ 552,342
Due to other governments	-	-	-	-	-	-
Due to other agencies	-	27,672	343,964	54,023	23,313	34,655 41,963
Deferred revenues	-	-	-	-	-	-
Due to pooled cash	10,518,136	211,721	17,075	13,980	21,189	12,365 15,886
Total Current Liabilities	10,696,203	404,429	704,523	443,882	409,324	289,427 610,191
Non-Current Liabilities						
Note Payable	-	-	-	-	-	-
Total Liabilities	10,696,203	404,429	704,523	443,882	409,324	289,427 610,191
Net Assets						
Reserved for capital assets	-	4,359	9,611	53,089	14,194	2,682 6,298
Restricted	-	-	-	-	-	-
Unrestricted	272,308	(338,997)	1,515,914	2,231,338	884,254	385,704 5,577,485
Total Net Assets	272,308	(334,638)	1,525,525	2,284,427	898,448	388,386 5,583,783
Total Liabilities and Net Assets	\$ 10,968,511	\$ 69,791	\$ 2,230,048	\$ 2,728,309	\$ 1,307,772	\$ 677,813 \$ 6,193,974

ALGIERS CHARTER SCHOOL ASSOCIATION
SCHEDULE OF FINANCIAL POSITION BY SCHOOL (Continued)
JUNE 30, 2013 and 2012 (Totals Only)

	2013									Restated 2012
	Special Revenue Funds									
ASSETS	School Support Center	ATA	Behrman	Eisenhower	Fischer	McDonogh	Walker	Interfund Eliminations	Total	Total
Current Assets										
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11 405 347	\$ 13 638 255
Investments	-	-	-	-	-	-	-	-	2 751	-
Intergovernmental receivables	-	279 655	287 839	312 767	277 630	248,015	571 666	-	1 977 572	3 133 229
Other receivables	-	-	-	-	3	-	-	-	101 183	107 849
Prepaid expenses	-	-	-	-	-	-	-	-	231 990	17 050
Due from pooled cash	3 999	-	38 085	42 369	48 296	59 592	10 856	(12 547 914)	-	117 768
Total Current Assets	3 999	279,655	325,924	355,136	325 929	307,607	582 522	(12 547 914)	\$ 13 718 843	17 014,151
Other Assets										
Deposits	-	-	-	-	-	-	-	-	-	4 950
Total Other Assets	-	-	-	-	-	-	-	-	-	4 950
Non-Current Assets										
Property and equipment (net of accumulated depreciation)	-	14,791	7 926	16 551	16 078	13 001	-	-	158 580	871 649
Total Assets	\$ 3,999	\$ 294 446	\$ 333,850	\$ 371 687	\$ 342 007	\$ 320 608	\$ 582 522	\$ (12,547 914)	\$ 13 877 423	\$ 17 890 750
LIABILITIES AND NET ASSETS										
Current Liabilities										
Accounts payable and accrued expenses	\$ -	\$ 454	\$ 229	\$ 18	\$ 13	\$ 2 416	\$ 383	\$ -	\$ 2 225 550	\$ 3 732 984
Due to other governments	-	-	-	-	-	-	-	-	-	410 744
Due to other agencies	-	-	-	-	-	-	-	-	525 590	403 321
Unearned revenues	-	-	-	-	-	-	-	-	-	52 770
Due to pooled cash	-	279,201	287,820	312 750	277 617	245 599	558 294	(12 547 914)	223 719	-
Total Current Liabilities	-	279 655	288,049	312 768	277 630	248 015	558 677	(12,547,914)	2 974 859	4 599 819
Non-Current Liabilities										
Note Payable	-	-	-	-	-	-	-	-	-	310,606
Total Liabilities	-	279,655	288,049	312 768	277 630	248 015	558 677	(12 547,914)	2,974 859	4 910 425
Net Assets										
Reserved for capital assets	-	14 791	7 926	16 551	16 078	13 001	-	-	158 580	871 649
Restricted	-	-	37 875	42 368	48 299	59 592	23 845	-	211 979	-
Unrestricted	3 999	-	-	-	-	-	-	-	10 532 005	12 108 676
Total Net Assets	3,999	14 791	45 801	58 919	64 377	72 593	23 845	-	10 902,564	12 980 325
Total Liabilities and Net Assets	\$ 3,999	\$ 294 446	\$ 333 850	\$ 371,687	\$ 342,007	\$ 320,608	\$ 582,522	\$ (12,547 914)	\$ 13 877 423	\$ 17 890 750

ALGIERS CHARTER SCHOOL ASSOCIATION
SCHEDULE OF ACTIVITIES BY SCHOOL
JUNE 30, 2013 and 2012 (Totals Only)

	2013						
	School Funds						
	School Support Center	ATA	Behrman	Eisenhower	Fischer	McDonogh	Walker
UNRESTRICTED NET ASSETS							
Unrestricted grants in aid - State	\$ 251	\$ 1,738	\$ 1,842	\$ 3,179	\$ 1,120	\$ 6,858	\$ 11,222
Restricted grants in aid - Federal and State	-	-	-	-	-	-	-
Donations	9,279	-	2,079	6,440	-	-	-
Minimum Foundation Program	-	2,104,439	5,477,234	4,846,985	5,189,040	3,843,524	7,491,593
Miscellaneous revenue	3,545,330	134,700	67,279	63,432	62,247	50,796	85,713
Total Public Support and Other Revenues	3,554,860	2,240,877	5,548,434	4,920,036	5,252,407	3,901,178	7,588,528
Expenses							
Program Services							
Instructional	837,326	1,599,577	4,377,636	4,386,514	4,144,736	3,078,340	5,410,542
Supporting services							
Management and general	2,143,778	716,034	1,748,274	1,389,564	1,592,302	826,736	2,472,469
Total Expenses	2,981,104	2,315,611	6,125,910	5,776,078	5,737,038	3,905,076	7,883,011
Increase/(Decrease) in							
unrestricted net assets	573,756	(74,734)	(577,476)	(856,042)	(484,631)	(3,898)	(294,483)
Net assets at beginning of fiscal year	(301,448)	(261,252)	1,981,136	3,021,789	1,196,446	346,186	5,387,823
Prior period adjustment	-	1,348	121,865	118,680	186,633	46,098	490,443
Net assets at beginning of fiscal year, as restated	(301,448)	(259,904)	2,103,001	3,140,469	1,383,079	392,284	5,878,266
Net assets at end of fiscal year	\$ 272,308	\$ (334,638)	\$ 1,525,525	\$ 2,284,427	\$ 898,448	\$ 388,386	\$ 5,583,783

ALGIERS CHARTER SCHOOL ASSOCIATION
SCHEDULE OF ACTIVITIES BY SCHOOL (Continued)
JUNE 30, 2013 and 2012 (Totals Only)

	2013								Restated 2012
	Special Revenue Funds								
	School Support Center	ATA	Behrman	Eisenhower	Fischer	McDonogh	Walker	Interfund Eliminations	Total
UNRESTRICTED NET ASSETS									
Unrestricted grants in aid - State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26 210
Restricted grants in aid - Federal and State	13 424	967 622	1 221 063	1,160 123	1 312 675	1,028 138	1 485 799	-	7 188 844
Donations	3 999	-	47 548	53 926	46 048	48 049	56 533	-	273 901
Minimum Foundation Program	-	38 957	6 970	19 068	19 996	18 404	54 494	-	29 110 704
Miscellaneous revenue	-	(1 352)	2 331	2 048	630	771	1 163	(3 406 961)	608 127
									-
Total Public Support and Other Revenues	17 423	1 005 227	1 277 912	1 235 165	1 379 349	1 095 362	1 597 989	(3 406 961)	37 207 786
									37 972 831
Expenses									
Program Services									
Instructional	-	882,584	1 026 964	944 263	1 004 494	782,193	1 495 549	(903,722)	29 066 996
Supporting services									
Management and general	13 424	161 141	367 752	333 421	392 336	258 597	305 962	(2 503 239)	10 218 551
									13 061 137
Total Expenses	13 424	1 043 725	1 394 716	1 277 684	1 396,830	1 040 790	1 801 511	(3 406 961)	39 285 547
									44 040 708
Increase/(Decrease) in									
unrestricted net assets	3 999	(38 498)	(116 804)	(42 519)	(17 481)	54 572	(203 522)	-	(2 077 761)
									(6 067 877)
Net assets at beginning of fiscal year	-	54 637	284 470	220 118	268 491	64 119	717 810	-	12 980 325
									15 614 941
Prior period adjustment	-	(1 348)	(121 865)	(118 680)	(186 633)	(46 098)	(490 443)	-	-
Net assets at beginning of fiscal year as restated	-	53 289	162 605	101 438	81 858	18 021	227 367	-	12 980 325
									15 614 941
Net assets at end of fiscal year	\$ 3 999	\$ 14 791	\$ 45 801	\$ 58 919	\$ 64 377	\$ 72 593	\$ 23 845	\$ -	\$ 10 902 564
									\$ 9 547 064

ALGIERS CHARTER SCHOOL ASSOCIATION
SCHEDULE OF FUNCTIONAL EXPENSES BY SCHOOL
JUNE 30, 2013 and 2012 (Totals Only)

2013									
Expenses	School Funds								
	School Support Center	ATA	Behrman	Eisenhower	Fischer	McDonogh	Walker		
Salaries and benefits	\$ 2 267 525	\$ 1 535 338	\$ 4 006 137	\$ 3 926,659	\$ 3,754,184	\$ 2 909 911	\$ 4 809 786		
Professional services	379 067	59 575	772 143	811 671	750 506	102 966	1 389 286		
Travel	24 252	11 676	5 166	6 941	9 704	7 269	11,092		
Supplies	64 711	42 320	192,365	131,252	254 389	133 206	160 128		
Utilities	10 702	86,706	100 354	62,975	51,290	56 448	171 259		
Rent	127 178	9 636	14 690	19 079	15,732	11 966	22 478		
Insurance	-	34 489	96 351	81 288	88 395	61 238	131 557		
Communication	49 641	12 174	19,585	18 310	24 199	19 236	24,462		
Repairs and maintenance	7 126	223 385	389 993	198,758	210 877	200 129	507 183		
Transportation	-	242 977	435 912	441,251	537,089	320,088	555 005		
Food service management	-	-	-	-	-	-	-		
Depreciation Expense	652	10 466	36 253	18 212	15,680	13 542	33 974		
Other	50 250	46 869	56 961	59 682	24 993	69 077	66 801		
Total Expenses	\$ 2 981 104	\$ 2 315,611	\$ 6 125 910	\$ 5 776,078	\$ 5,737,038	\$ 3 905 076	\$ 7 883 011		Restated
2013									
Expenses	Special Revenue Funds							Interfund Elimination	Total
	School Support Center	ATA	Behrman	Eisenhower	Fischer	McDonogh	Walker		
Salaries and benefits	\$ -	\$ 800 153	\$ 758 484	\$ 742,061	\$ 810 283	\$ 713,553	\$ 1 236 571	-	\$ 28 270 645
Professional services	-	1,246	64 938	12,508	28,846	4 309	13 311	(3,066,071)	1 324 301
Travel	-	4,779	7,535	9,705	6 037	3 895	6,414	-	114 465
Supplies	-	16 406	48,575	74 777	88 881	17 790	19 724	-	1 244 524
Utilities	-	7 315	4 356	2 514	3 837	3 950	6 450	-	568 156
Rent	-	31	1,277	1,276	1 239	1 277	140	-	225 999
Insurance	-	-	-	-	-	-	-	-	493 318
Communication	-	8 788	228	15 133	228	31 228	38	-	223 250
Repairs and maintenance	-	22,252	17,108	12 458	22 511	18 260	22 725	-	1 852 765
Transportation	-	600	1 901	5 386	795	2 182	1 190	-	2 544 376
Food service management	-	70 449	286 632	254 519	301 492	183 157	188 768	-	1 285 017
Depreciation Expense	-	42 276	154 678	97 901	78 950	18,195	227 367	-	748 146
Other	13 424	69 430	49 004	49 446	53 731	42,994	78 813	(340 973)	390 502
Total Expenses	\$ 13 424	\$ 1 043 725	\$ 1 394,716	\$ 1,277,684	\$ 1,396,830	\$ 1 040 790	\$ 1,801 511	(3 407 044)	\$ 39 285 464

Hienz Macaluso^{LLC}

Certified Public Accountants

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT
AUDITING STANDARDS***

December 18, 2013

Board of Directors of
Algiers Charter School Association

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Algiers Charter School Association (a nonprofit organization), which comprise the statement of financial position as of June 30, 2013, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 18, 2013

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Algiers Charter School Association's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Algiers Charter School Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Algiers Charter School Association's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an

opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of Algiers Charter School Association's Finance Committee, management, the State of Louisiana Legislative Auditor, federal awarding agencies, state funding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kienz & Macaluso, LLC

Metairie, LA

**OMB CIRCULAR A-133 COMPLIANCE AND
GOVERNMENT AUDITING STANDARDS REPORTS**

Hienz Macaluso^{LLC}

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

December 18, 2013

Board of Directors of
Algiers Charter School Association

Report on Compliance for Each Major Federal Program

We have audited Algiers Charter School Association's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Algiers Charter School Association's major federal programs for the year ended June 30, 2013. Algiers Charter School Association's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Algiers Charter School Association's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Algiers Charter School Association's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Algiers Charter School Association's compliance.

Opinion on Each Major Federal Program

In our opinion, Algiers Charter School Association complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of Algiers Charter School Association is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Algiers Charter School Association's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Algiers Charter School Association's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Hienz & Macaluso, LLC

Metairie, LA

**ALGIERS CHARTER SCHOOL ASSOCIATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Disbursements/ Expenditures</u>
<u>U S Department of Education</u>		
Direct Programs		
Teaching American History	84 215	\$ 20,308
Passed-Through State Department of Education		
Advanced Placement Test Fee Program	84 330	825
Title I, Part A Cluster		
ESEA of 1965, Title I, Part A	84 010	3,320,517
ESEA of 1965, Title I, SIP 1003(a)	84 010	47,863
Total Title I, Part A Cluster		3,368,380
School Improvement Grants Cluster		
ESEA of 1965, Title I, SIP 1003(g)	84 377	9,365
ESEA of 1965, Title I, SIP 1003(g) - ARRA	84 388	482,881
Total School Improvement Grants Cluster		492,246
Special Education Cluster (IDEA)		
IDEA, Part B	84 027	676,382
IDEA, Pre-K	84 173	28,697
SALSA - SLPC Leadership Academy	84 027	756 00
Believe and Include	84 027	81,135
Total Special Education Cluster (IDEA)		786,970
ESEA of 1965, Title II, Part A	84 367	412,621
English Language Acquisition Grants, Title III	84 365	22,710
ESEA of 1965, Title IV, Part A	84 186	342
21st Century	84 287	264
Charter Schools	84 282	35,312
Hurricane Katrina Foreign Contributions	84 940	40,009
Hurricane Educator Assistance Program	84 938	88,257
Passed-Through National Institute for Excellence in Teaching		
Teacher Incentive Fund	84 374	138,921
TOTAL U S DEPARTMENT OF EDUCATION		5,407,165

ALGIERS CHARTER SCHOOL ASSOCIATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
FOR THE YEAR ENDED JUNE 30, 2013

U S Department of Agriculture

Passed-Through State Department of Agriculture

National School Lunch Program

Free and Reduced Price Meals

10 555

1,479,091

TOTAL U S DEPARTMENT OF AGRICULTURE

1,479,091

U S Department of Housing and Urban Development

Passed-Through State Department of Housing and Urban Development

Community Development Block Grants - LA 4

14 228

327,542

TOTAL U S DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

327,542

U S Department of Health and Human Services

Passed-Through State Department of Health and Human Services

LA 4 - TANF

93 558

373,965

TOTAL U S DEPARTMENT OF HEALTH AND HUMAN SERVICES

373,965

Other Programs

Passed-Through Alvin Callender Air Force Base

Reserve Officer Training Corp (ROTC)

99 999

51,433

TOTAL OTHER PROGRAMS

51,433

TOTAL FEDERAL ASSISTANCE

\$ 7,639,196

The accompanying footnotes to Schedule of Expenditures of Federal Awards are an integral part of this schedule

**ALGIERS CHARTER SCHOOL ASSOCIATION
NOTES TO THE SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of Federal Awards includes the federal grant activity of ACSA and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations".

2 ACCRUED AND DEFERRED REIMBURSEMENT

Various reimbursement procedures are used for federal awards received by ACSA. Consequently, timing differences between expenditures and program reimbursements can exist at the beginning and the end of the year.

3 PAYMENTS TO SUBRECIPIENTS

There were no payments to subrecipients for the year ended June 30, 2013.

**ALGIERS CHARTER SCHOOL ASSOCIATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013**

A. SUMMARY OF AUDIT RESULTS

- 1 The independent auditors' report expresses an unqualified opinion on the financial statements of Algiers Charter School Association
- 2 No control deficiencies were disclosed during the audit of the financial statements of Algiers Charter School Association
- 3 No instances of noncompliance material to the financial statements of Algiers Charter School Association were noted
- 4 No control deficiencies relating to the audit of the major federal award programs are reported in the *Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Federal Award Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133*
- 5 The auditors' report on compliance with requirements applicable to major federal award programs for Algiers Charter School Association expresses an unqualified opinion
- 6 The auditors' report disclosed no findings that were required to be reported in accordance with Section 510(a) of OMB Circular A-133
- 7 A management letter was not issued for the year ended June 30, 2013
- 8 The programs tested as major programs were

	<u>CFDA No</u>
ESEA of 1965, Title II	84 367
National School Lunch Program	10 555
Community Development Block Grant – LA4	14 228
- 9 The threshold for distinguishing between type A and type B programs was \$300,000
- 10 Algiers Charter School Association was determined to not be a low-risk auditee

ALGIERS CHARTER SCHOOL ASSOCIATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2013

B. FINDINGS RELATED TO THE FINANCIAL STATEMENTS

There were no findings required to be reported in this section

C. FINDINGS AND QUESTIONED COSTS RELATED TO MAJOR FEDERAL AWARD PROGRAMS

There were no findings required to be reported in this section

**ALGIERS CHARTER SCHOOL ASSOCIATION
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013**

SECTION I – FINDINGS RELATED TO THE FINANCIAL STATEMENTS

2012-1 Food Service Deposit Accounts

During the course of our audit, we noted that the food services cash account had a misappropriation of approximately \$500 which was detected by the client May of 2012. During our examination we determined that the point-of-sale reports indicated over/(under) amounts on a daily basis, an indication that items are not properly recorded as sales in the point-of-sale system. We were unable to reasonably determine an amount associated with this discrepancy.

This finding was resolved.

**SECTION II – FINDINGS AND QUESTIONED COSTS RELATED TO MAJOR FEDERAL
AWARD PROGRAMS**

There were no findings required to be reported in this section.

SECTION III – MANAGEMENT LETTER

A management letter was not issued for the year ended June 30, 2012.

PERFORMANCE STATISTICAL DATA

Hienz Macaluso^{LLC}

Certified Public Accountants

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

December 18, 2013

Board of Directors
Algiers Charter School Association
New Orleans, Louisiana

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Algiers Charter School Association ("ACSA") and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the accompanying performance and statistical data and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE). This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings related to the accompanying schedules of supplemental information and are as follows:

PROCEDURES AND FINDINGS

General Fund Instructional and Support Expenditures and Certain Local Revenue Sources (Schedule 1)

- 1 We selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following reported on the schedule:

- ❖ Total General Fund Instructional Expenditures,
- ❖ Total General Fund Equipment Expenditures,
- ❖ Total Local Taxation Revenues,
- ❖ Total Local Earnings on Investment in Real Property,
- ❖ Total State Revenue in Lieu of Taxes,
- ❖ Nonpublic Textbook Revenue, and
- ❖ Nonpublic Transportation Revenue

We reviewed the supporting documentation for the selected transactions and determined that they were classified correctly and reported in the proper amounts on the appropriate schedule.

Education Levels of Public School Staff (Schedule 2)

- 2 We reconciled the total number of full-time classroom teachers per the schedule "Experience of Public Principals, Assistant Principals, and Full-Time Classroom Teachers" (Schedule 4) to the combined total number of full-time classroom teachers per this schedule and to school board supporting payroll records as of October 1, 2012

No differences were noted

- 3 We reconciled the combined total of principals and assistant principals per the schedule "Experience of Public Principals, Assistant Principals, and Full-Time Classroom Teachers" (Schedule 4) to the combined total of principals and assistant principals per this schedule

No differences were noted

- 4 We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1, 2012 as reported on the schedule We traced a random sample of 25 teachers to their respective personnel file and determined if their education level was properly classified on the schedule

The education levels were properly reported

Number and Type of Public School (Schedule 3)

- 5 We compared the list of School by type as reported on the schedule We compared the list to the School and grade levels as reported on the Title I Grants to Local Educational Agencies (CFDA 84 010) application and/or the National School Lunch Program (CFDA 10 555) application

No differences were noted

Experience of Public Principals, Assistant Principals, and Full-Time Classroom Teachers (Schedule 4)

- 6 We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1, 2012 and as reported on the schedule and traced the same sample used in procedure 4 to the individual's personnel file and determined if the individual's experience was properly classified on the schedule

No differences were noted

Public School Staff Data (Schedule 5)

- 7 We obtained a listing of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status as well as full-time equivalent as reported on the schedule and a random sample of 25 teachers to their personnel file and determined if their salary, extra compensation, and full-time equivalents were properly included on the schedule

No differences were noted

- 8 For all 25 teachers, we recalculated the average salaries and full-time equivalents reported in the schedule

No differences were noted

Class Size Characteristics (Schedule 6)

- 9 We obtained a list of classes by school, school type and class size as reported on the schedule and reconciled school type classifications to Schedule 3 data, as obtained in procedure 5 We then traced a sample of ten classes to computerized summary reports of the October 1st roll books for those classes and determined if the class was properly classified in the schedule

No differences were noted

Louisiana Educational Assessment Program (LEAP) for The 21st Century (Schedule 7)

- 10 We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by ACSA

No differences were noted

The Graduation Exit Exam for the 21st Century (Schedule 8)

- 11 We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by ACSA

No differences were noted

The LEAP Tests (Schedule 9)

- 12 We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by ACSA

No differences were noted

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on management's assertions Accordingly, we do not express such an opinion Had we performed additional procedures, other matters might have come to our attention that would have been reported to you

This report is intended solely for the use of management of Algiers Charter School Association, the Louisiana Department of Education, the Louisiana Legislature, and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes Under Louisiana Revised Statute 24 513, this report is distributed by the Legislative Auditor as a public document

Hienz & Macaluso, LLC

Metairie, LA

ALGIERS CHARTER SCHOOL ASSOCIATION
New Orleans, Louisiana

**General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2013**

<u>General Fund Instructional and Equipment Expenditures</u>	Column A	Column B
General Fund Instructional Expenditures		
Teacher and Student Interaction Activities		
Classroom Teacher Salaries	\$8,918,065	
Other Instructional Staff Activities	\$2,015,142	
Instructional Staff Employee Benefits	\$3,475,787	
Purchased Professional and Technical Services	\$301,813	
Instructional Materials and Supplies	\$596,267	
Instructional Equipment	<u>\$39,826</u>	
Total Teacher and Student Interaction Activities		\$15,346,900
Other Instructional Activities		(\$5,301)
Pupil Support Services	\$2,507,052	
Less Equipment for Pupil Support Services	<u>\$0</u>	
Net Pupil Support Services		\$2,507,052
Instructional Staff Services	\$1,441,923	
Less Equipment for Instructional Staff Services	<u>\$183</u>	
Net Instructional Staff Services		<u>\$1,441,740</u>
School Administration	\$3,706,741	
Less Equipment for School Administration	<u>\$0</u>	
Net School Administration		<u>\$3,706,741</u>
Total General Fund Instructional Expenditures (Total of Column B)		<u>\$22,997,134</u>
Total General Fund Equipment Expenditures (Object 730, Function Series 1000-4000)		<u>\$125,638</u>

ALGIERS CHARTER SCHOOL ASSOCIATION
New Orleans, Louisiana

General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2013

Certain Local Revenue Sources

Local Taxation Revenue

Advalorem Taxes

Constitutional Ad Valorem Taxes	\$0
Renewable Ad Valorem Tax	\$0
Debt Service Ad Valorem Tax	\$0
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	\$0
Result of Court Ordered Settlement (Ad Valorem)	\$0
Penalties/Interest on Ad Valorem Taxes	\$0
Taxes Collected Due to Tax Incremental Financing (TIF)(Ad Valorem)	\$0

Sales Taxes

Sales and Use Taxes - Gross	\$0
Sales/Use Taxes - Court Settlement	\$0
Penalties/Interest on Sales/Use Taxes	\$0
Sales/Use Taxes Collected Due to TIF	\$0
Total Local Taxation Revenue	\$0

Local Earnings on Investment in Real Property

Earnings from 16th Section Property	\$0
Earnings from Other Real Property	\$0
Total Local Earnings on Investment in Real Property	\$0

State Revenue in Lieu of Taxes

Revenue Sharing - Constitutional Tax	\$0
Revenue Sharing - Other Taxes	\$0
Revenue Sharing - Excess Portion	\$0
Other Revenue in Lieu of Taxes	\$0
Total State Revenue in Lieu of Taxes	\$0

Nonpublic Textbook Revenue

Nonpublic Transportation Revenue

\$0
\$0

ALGIERS CHARTER SCHOOL ASSOCIATION
New Orleans, Louisiana

Schedule 2

Education Levels of Public School Staff
As of October 1, 2012

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	2	1%	0	0%	0	0%	0	0%
Bachelor's Degree	131	61%	14	82%	1	8%	0	0%
Master's Degree	73	34%	3	18%	8	67%	0	0%
Master's Degree + 30	6	3%	0	0%	3	25%	0	0%
Specialist in Education	1	0%	0	0%	0	0%	0	0%
Ph D or Ed D	1	0%	0	0%	0	0%	0	0%
Total	214	100%	17	100%	12	100%	0	0%

ALGIERS CHARTER SCHOOL ASSOCIATION
New Orleans, Louisiana

Schedule 3

Number and Type of Public Schools
For the Year Ended June 30, 2013

Type	Number
Elementary	4
Middle Jr High	0
Secondary	2
Combination	0
Total	6

ALGIERS CHARTER SCHOOL ASSOCIATION**Schedule 4**

New Orleans, Louisiana

Experience of Public Principals, Assistant Principals, and Full time Classroom Teachers

As of October 1, 2012

	0-1 Yr	2-3 Yrs	4-10 Yrs	11-14 Yrs	15-19 Yrs	20-24 Yrs	25+ Yrs	Total
Assistant Principals	0	0	0	1	2	2	0	5
Principals	0	0	2	2	1	0	2	7
Classroom Teachers	56	16	47	25	21	23	28	216

ALGIERS CHARTER SCHOOL ASSOCIATION
New Orleans, Louisiana

Schedule 5

Public School Staff Data Average Salaries
For the Year Ended June 30, 2013

	All Classroom Teachers	Classroom Teachers Excluding ROTC, Rehired Retirees, and Flagged Salary Reductions
Average Classroom Teachers Salary Including Extra Compensation	\$48,279 21	\$48,119 28
Average Classroom Teachers Salary Excluding Extra Compensation	\$43,810 84	\$43,651 13
Number of Teacher Full-Time Equivalents (FTES) used in Computation of Average Salaries	216	215

ALGIERS CHARTER SCHOOL ASSOCIATION
New Orleans, Louisiana

Schedule 6

Class Size Characteristics
As of October 1, 2012

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	23 5%	143	64%	388	12 5%	76	0%	2
Elementary Activity Class	57 1%	8	43%	6	0 0%	0	0 0%	0
Middle High								
Middle High Activity Class								
High	37 4%	143	19%	72	23 8%	91	19 9%	76
High Activity Class	43 6%	17	8%	3	28 2%	11	20 5%	8
Combination								
Combination Activity Class								

Louisiana Educational Assessment Program (LEAP)
For the Year Ended June 30, 2013

District Achievement Level Results	English Language Arts						Mathematics					
	2013		2012		2011		2013		2012		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	12	4%	8	3%	15	5%	13	5%	3	1%	12	4%
Mastery	62	22%	46	17%	51	17%	76	27%	28	10%	37	12%
Basic	136	49%	103	39%	122	41%	110	40%	112	42%	127	43%
Approaching Basic	48	17%	60	23%	65	22%	48	17%	56	21%	60	20%
Unsatisfactory	19	7%	48	18%	44	15%	30	11%	68	25%	62	21%
Total	277	100%	265	100%	297	100%	277	100%	267	100%	298	100%

District Achievement Level Results	Science						Social Studies					
	2013		2012		2011		2013		2012		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	13	5%	23	9%	4	1%	2	1%	4	2%	9	3%
Mastery	33	12%	26	10%	30	10%	30	11%	40	15%	41	14%
Basic	136	49%	81	31%	85	29%	155	56%	88	33%	118	40%
Approaching Basic	65	24%	95	36%	114	38%	52	19%	78	29%	64	21%
Unsatisfactory	29	11%	40	15%	65	22%	37	13%	55	21%	66	22%
Total	276	100%	265	100%	298	100%	276	100%	265	100%	298	100%

District Achievement Level Results	English Language Arts						Mathematics					
	2013		2012		2011		2013		2012		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	20	8%	1	1%	12	6%	8	3%	5	3%	10	5%
Mastery	45	19%	32	16%	34	16%	22	9%	9	5%	15	7%
Basic	102	42%	89	45%	102	48%	179	74%	116	58%	123	57%
Approaching Basic	63	26%	68	34%	62	29%	20	8%	44	22%	39	18%
Unsatisfactory	11	5%	10	5%	4	2%	12	5%	26	13%	27	13%
Total	241	100%	200	100%	214	100%	241	100%	200	100%	214	100%

District Achievement Level Results	Science						Social Studies					
	2013		2012		2011		2013		2012		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	0	0%	0	0%	4	2%	4	2%	1	1%	2	1%
Mastery	39	16%	34	17%	30	14%	30	12%	15	8%	38	18%
Basic	87	36%	60	30%	73	34%	151	63%	100	50%	88	41%
Approaching Basic	77	32%	76	38%	71	33%	34	14%	53	27%	57	27%
Unsatisfactory	38	16%	30	15%	37	17%	22	9%	31	16%	30	14%
Total	241	100%	200	100%	215	100%	241	100%	200	100%	215	100%

ALGIERS CHARTER SCHOOL ASSOCIATION
New Orleans, Louisiana

Schedule 8

Graduation Exit Examination
For the Year Ended June 30, 2013

District Achievement Level Results	English Language Arts						Mathematics					
	2013		2012		2011		2013		2012		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 10												
Advanced	0	0%	0	0%	1	0%	0	0%	0	0%	8	3%
Mastery	0	0%	0	0%	6	2%	0	0%	1	2%	91	30%
Basic	1	4%	9	19%	180	57%	11	41%	16	32%	145	48%
Approaching Basic	12	46%	10	21%	90	29%	1	4%	13	26%	28	9%
Unsatisfactory	13	50%	29	60%	37	12%	15	56%	20	40%	30	10%
Total	26	100%	48	100%	314	100%	27	100%	50	100%	302	100%

District Achievement Level Results	Science						Social Studies					
	2013		2012		2011		2013		2012		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 11												
Advanced	0	0%	1	0%	10	3%	0	0%	0	0%	2	1%
Mastery	0	0%	2	1%	49	17%	0	0%	7	2%	22	8%
Basic	3	11%	110	38%	144	50%	2	7%	122	43%	202	70%
Approaching Basic	1	4%	97	34%	52	18%	7	26%	92	32%	40	14%
Unsatisfactory	24	86%	77	27%	33	11%	18	67%	66	23%	23	8%
Total	28	100%	287	100%	288	100%	27	100%	287	100%	289	100%

ALGIERS CHARTER SCHOOL ASSOCIATION
New Orleans, Louisiana

Schedule 9

Iowa and iLEAP Tests
For the Year Ended June 30, 2013

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2011		2011		2011		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	25	8 3%	10	3 3%	17	5 7%	15	5 0%
Mastery	42	14 0%	47	15 7%	34	11 3%	35	11 7%
Basic	92	30 7%	90	30 0%	88	29 3%	96	32 0%
Approaching Basic	71	23 7%	73	24 3%	88	29 3%	81	27 0%
Unsatisfactory	70	23 3%	80	26 7%	73	24 3%	73	24 3%
Total	300	100 0%	300	100 0%	300	100 0%	300	100 0%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2011		2011		2011		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	7	2 7%	9	3 5%	4	1 6%	3	1 2%
Mastery	48	18 8%	37	14 5%	14	5 5%	18	7 0%
Basic	101	39 5%	101	39 5%	83	32 4%	110	43 0%
Approaching Basic	67	26 2%	50	19 5%	112	43 8%	63	24 6%
Unsatisfactory	33	12 9%	59	23 0%	43	16 8%	62	24 2%
Total	256	100 0%	256	100 0%	256	100 0%	256	100 0%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2011		2011		2011		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	1	0 4%	7	2 6%	1	0 4%	5	1 8%
Mastery	15	5 5%	14	5 1%	16	5 8%	13	4 7%
Basic	125	45 8%	119	43 6%	119	43 4%	124	45 3%
Approaching Basic	94	34 4%	71	26 0%	107	39 1%	87	31 8%
Unsatisfactory	38	13 9%	62	22 7%	31	11 3%	45	16 4%
Total	273	100 0%	273	100 0%	274	100 0%	274	100 0%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2011		2011		2011		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	12	5 0%	6	2 5%	1	0 4%	0	0 0%
Mastery	29	12 1%	13	5 4%	29	12 1%	29	12 1%
Basic	111	46 4%	110	46 0%	88	36 8%	110	46 0%
Approaching Basic	63	26 4%	68	28 5%	79	33 1%	52	21 8%
Unsatisfactory	24	10 0%	42	17 6%	42	17 6%	48	20 1%
Total	239	100 0%	239	100 0%	239	100 0%	239	100 0%

District Achievement Level Results	English Language Arts		Mathematics	
	2011		2011	
Students	Number	Percent	Number	Percent
Grade 9				
Advanced	1	0 5%	1	0 5%
Mastery	3	1 5%	7	3 5%
Basic	83	41 9%	97	48 7%
Approaching Basic	80	40 4%	48	24 1%
Unsatisfactory	31	15 7%	46	23 1%
Total	198	100 0%	199	100 0%

ALGIERS CHARTER SCHOOL ASSOCIATION
New Orleans, Louisiana

Schedule 9
(Continued)

Iowa and iLEAP Tests
For the Year Ended June 30, 2013

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	14	5 4%	9	3 4%	1	0 4%	6	2 3%
Mastery	51	19 5%	31	11 9%	35	13 4%	40	15 4%
Basic	71	27 2%	94	36 0%	101	38 7%	91	35 0%
Approaching Basic	68	26 1%	59	22 6%	76	29 1%	56	21 5%
Unsatisfactory	57	21 8%	68	26 1%	48	18 4%	67	25 8%
Total	261	100 0%	261	100 0%	261	100 0%	260	100 0%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	3	1 4%	5	2 4%	0	0 0%	0	0 0%
Mastery	34	16 0%	8	3 8%	14	6 6%	15	7 1%
Basic	103	48 6%	90	42 5%	81	38 2%	112	53 1%
Approaching Basic	43	20 3%	60	28 3%	79	37 3%	45	21 3%
Unsatisfactory	29	13 7%	49	23 1%	38	17 9%	39	18 5%
Total	212	100 0%	212	100 0%	212	100 0%	211	100 0%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	4	1 7%	7	3 0%	2	0 9%	8	3 5%
Mastery	18	7 8%	23	10 0%	15	6 5%	9	3 9%
Basic	113	48 9%	106	45 9%	95	41 1%	105	45 5%
Approaching Basic	76	32 9%	40	17 3%	86	37 2%	75	32 5%
Unsatisfactory	20	8 7%	55	23 8%	33	14 3%	34	14 7%
Total	231	100 0%	231	100 0%	231	100 0%	231	100 0%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	1	0 4%	4	1 8%	0	0 0%	2	0 9%
Mastery	25	11 2%	12	5 4%	17	7 7%	9	4 1%
Basic	79	35 4%	81	36 3%	78	35 3%	75	33 8%
Approaching Basic	82	36 8%	67	30 0%	89	40 3%	87	39 2%
Unsatisfactory	36	16 1%	59	26 5%	37	16 7%	49	22 1%
Total	223	100 0%	223	100 0%	221	100 0%	222	100 0%

District Achievement Level Results	English Language Arts		Mathematics	
	2012		2012	
Students	Number	Percent	Number	Percent
Grade 9				
Advanced	0	0 0%	0	0 0%
Mastery	0	0 0%	0	0 0%
Basic	0	0 0%	0	0 0%
Approaching Basic	0	0 0%	0	0 0%
Unsatisfactory	0	0 0%	0	0 0%
Total	0	0 0%	0	0 0%

ALGIERS CHARTER SCHOOL ASSOCIATION
New Orleans, Louisiana

Schedule 9
(Continued)

Iowa and iLEAP Tests
For the Year Ended June 30, 2013

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2013		2013		2013		2013	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	36	14 1%	26	10 2%	3	1 2%	14	5 5%
Mastery	47	18 4%	47	18 4%	29	11 3%	28	10 9%
Basic	94	36 7%	112	43 8%	104	40 6%	105	41 0%
Approaching Basic	40	15 6%	39	15 2%	78	30 5%	55	21 5%
Unsatisfactory	39	15 2%	32	12 5%	42	16 4%	54	21 1%
Total	256	100 0%	256	100 0%	256	100 0%	256	100 0%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2013		2013		2013		2013	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	5	2 3%	2	0 9%	6	2 7%	1	0 5%
Mastery	41	18 6%	36	16 1%	21	9 5%	9	4 1%
Basic	97	43 9%	97	43 5%	87	39 4%	100	45 2%
Approaching Basic	49	22 2%	55	24 7%	76	34 4%	53	24 0%
Unsatisfactory	29	13 1%	33	14 8%	31	14 0%	58	26 2%
Total	221	100 0%	223	100 0%	221	100 0%	221	100 0%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2013		2013		2013		2013	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	1	0 4%	8	3 4%	2	0 8%	10	4 2%
Mastery	24	10 2%	19	8 1%	24	10 2%	21	8 9%
Basic	123	52 3%	117	49 6%	105	44 5%	115	48 7%
Approaching Basic	54	23 0%	53	22 5%	72	30 5%	57	24 2%
Unsatisfactory	33	14 0%	39	16 5%	33	14 0%	33	14 0%
Total	235	100 0%	236	100 0%	236	100 0%	236	100 0%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2013		2013		2013		2013	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	8	3 3%	4	1 6%	1	0 4%	2	0 8%
Mastery	30	12 3%	23	9 5%	9	3 7%	20	8 2%
Basic	125	51 4%	127	52 3%	104	42 8%	122	50 2%
Approaching Basic	63	25 9%	54	22 2%	86	35 4%	62	25 5%
Unsatisfactory	17	7 0%	35	14 4%	43	17 7%	37	15 2%
Total	243	100 0%	243	100 0%	243	100 0%	243	100 0%

District Achievement Level Results	English Language Arts		Mathematics	
	2013		2013	
Students	Number	Percent	Number	Percent
Grade 9				
Advanced	0	0 0%	0	0 0%
Mastery	0	0 0%	0	0 0%
Basic	0	0 0%	0	0 0%
Approaching Basic	0	0 0%	0	0 0%
Unsatisfactory	0	0 0%	0	0 0%
Total	0	0 0%	0	0 0%